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**DISTRICT ATTORNEY
OF THE THIRD JUDICIAL DISTRICT
PARISHES OF
LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 08-30-00

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA**

FINANCIAL STATEMENTS
DECEMBER 31, 1999

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INDEPENDENT AUDITOR'S REPORT

Honorable Robert W. Levy
District Attorney of the Third Judicial District
P.O. Box 777
Ruston, Louisiana 71273

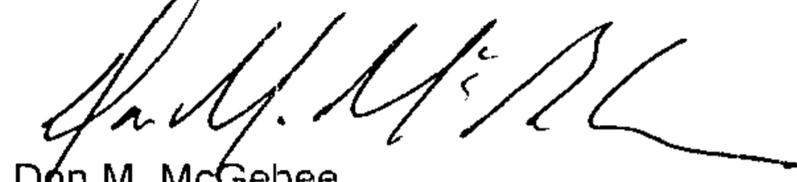
I have audited the accompanying general purpose financial statements of the District Attorney of the Third Judicial District, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District Attorney's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Third Judicial District as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 22, 2000, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District Attorney of the Third Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Don M. McGehee
Certified Public Accountant
June 22, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMBINED BALANCE SHEET -- ALL FUND TYPES AND ACCOUNT GROUPS**

DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	<u>GOVERNMENTAL FUND TYPES</u>	<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>GENERAL FIXED ASSETS</u>	<u>1999</u> <u>1998</u>
ASSETS				
Cash	\$ 140,099	\$ 57,217	\$ 0	\$ 389,352 \$ 361,161
Certificates of Deposit	103,246	128,823	0	232,069 228,811
Due from Other Units	21,809	30,288	0	52,097 24,289
Due from Other Funds	76,173	264	0	76,437 34,216
Non-Cash Assets Seized	0	0	0	55,708 16,929
Equipment	<u>0</u>	<u>0</u>	<u>368,733</u>	<u>368,733</u> <u>328,792</u>
TOTAL ASSETS	\$ 341,327	\$ 216,592	\$ 368,733	\$ 1,174,396 \$ 994,198
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 3,032	\$ 1,279	\$ 0	\$ 4,311 \$ 1,710
Accrued Liabilities	17,708	0	0	17,708 30,551
Seizures not yet Forfeited	0	0	0	202,205 136,542
Judgements not yet Disbursed	0	0	0	38,823 40,231
Due to Merchants	0	2,505	0	2,505 0
Due to Other Funds	<u>0</u>	<u>69,721</u>	<u>0</u>	<u>76,437</u> <u>34,216</u>
TOTAL LIABILITIES	20,740	73,505	0	341,989 243,250
FUND EQUITY				
Investment in Fixed Assets	0	0	368,733	368,733 328,792
Fund Balances				
Unreserved and Undesignated	<u>320,587</u>	<u>143,087</u>	<u>0</u>	<u>463,674</u> <u>422,156</u>
TOTAL FUND EQUITY	320,587	143,087	368,733	832,407 750,948
TOTAL LIABILITIES AND FUND EQUITY	\$ 341,327	\$ 216,592	\$ 368,733	\$ 1,174,396 \$ 994,198

(3)

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1999
WITH COMPARATIVE TOTALS FOR 1998

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>1999</u>	<u>1998</u>
REVENUES				
Fees	\$ 122,532	\$ 62,310	\$ 184,842	\$ 96,298
Grants	104,295	177,612	281,907	305,294
Incentives	0	0	0	33,948
Interest Income	8,167	5,955	14,122	12,605
Intergovernmental	278,349	25,252	303,601	348,828
On-Behalf Revenue	406,927	52,022	458,949	457,244
Other Income	450	0	450	474
TOTAL REVENUES	<u>920,720</u>	<u>323,151</u>	<u>1,243,871</u>	<u>1,254,691</u>
EXPENDITURES				
General Government	875,895	323,345	1,199,240	1,217,863
Capital Outlay	5,207	8,313	13,520	26,421
TOTAL EXPENDITURES	<u>881,102</u>	<u>331,658</u>	<u>1,212,760</u>	<u>1,244,284</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	39,618	(8,507)	31,111	10,407
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	30,852	6,234	37,086	48,175
Operating Transfers Out	<u>(6,234)</u>	<u>(30,852)</u>	<u>(37,086)</u>	<u>(48,175)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>24,618</u>	<u>(24,618)</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	64,236	(33,125)	31,111	10,407
FUND BALANCE - BEGINNING	<u>256,351</u>	<u>176,212</u>	<u>432,563</u>	<u>422,156</u>
FUND BALANCE - ENDING	<u>\$ 320,587</u>	<u>\$ 143,087</u>	<u>\$ 463,674</u>	<u>\$ 432,563</u>

See accompanying notes to financial statements.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA**

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL -- ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND		SPECIAL REVENUE FUND			
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES						
Fees	\$ 90,000	\$ 122,532	\$ 32,532	\$ 56,000	\$ 62,310	\$ 6,310
Grants	128,925	104,295	(24,630)	187,278	177,612	(9,666)
Interest Income	7,400	8,167	767	4,300	5,955	1,655
Intergovernmental	205,000	278,349	73,349	15,000	25,252	10,252
On-Behalf Revenue	523,892	406,927	(116,965)	57,290	52,022	(5,268)
Other	1,500	450	(1,050)	0	0	0
TOTAL REVENUES	<u>956,717</u>	<u>920,720</u>	<u>(35,997)</u>	<u>319,868</u>	<u>323,151</u>	<u>3,283</u>
EXPENDITURES						
General Government	1,005,640	875,895	129,745	329,808	323,345	6,463
Capital Outlay	7,200	5,207	1,993	8,000	8,313	(313)
TOTAL EXPENDITURES	<u>1,012,840</u>	<u>881,102</u>	<u>131,738</u>	<u>337,808</u>	<u>331,658</u>	<u>6,150</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(56,123)	39,618	95,741	(17,940)	(8,507)	9,433
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	9,420	30,852	21,432	7,130	6,234	(896)
Operating Transfers Out	(7,130)	(6,234)	896	(9,420)	(30,852)	(21,432)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,290</u>	<u>24,618</u>	<u>22,328</u>	<u>(2,290)</u>	<u>(24,618)</u>	<u>(22,328)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(53,833)	64,236	118,069	(20,230)	(33,125)	(12,895)
FUND BALANCE - BEGINNING	<u>150,000</u>	<u>256,351</u>	<u>106,351</u>	<u>240,000</u>	<u>176,212</u>	<u>(63,788)</u>
FUND BALANCE - ENDING	<u>\$ 96,167</u>	<u>\$ 320,587</u>	<u>\$ 224,420</u>	<u>\$ 219,770</u>	<u>\$ 143,087</u>	<u>\$ (76,683)</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the district attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The district attorney is elected by the qualified electors of the judicial district for a term of six years.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government.

REPORTING ENTITY

For financial reporting purposes, in conformity with GASB Statement No. 14, the District Attorney of the Third Judicial District is a component unit of the Lincoln Parish Police Jury. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

The Third District Narcotics Enforcement Team (TDNET) is a jointly governed organization. TDNET's purpose is to restrict and eliminate illegal sales and consumption of controlled dangerous substances in Lincoln and Union parishes. It operates through an interagency cooperation with various law enforcement agencies in Lincoln and Union parish and with the District Attorney's Office. TDNET is a component unit, but is not a legally separate organization from the District Attorney's Office. TDNET is blended and reported with the Special Revenue Fund.

FUND ACCOUNTING

The accounts of the district attorney are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund of the district attorney. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the district attorney as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed asset holdings are accounted for in the general fixed assets account group, and the purchases of fixed assets are recorded as expenditures when acquired. No depreciation has been provided on these general fixed assets. The fixed assets are valued at historical cost. All other fixed assets used in the district attorney's office are provided by the Lincoln Parish Police Jury and are accounted for in the general fixed assets account group of the police jury.

The account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of results of operations.

All government funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amount of the transaction can be determined and available means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 60 days was used. Revenues accrued include commissions (collected by another governmental unit and remitted to the District Attorney), other intergovernmental revenue, reimbursement for expenditures from the state, and incentives from the state. Revenues that are not considered susceptible to accrual include certain charges for fees and forfeitures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS AND BUDGETARY ACCOUNTING

The District Attorney adopted a budget for all the governmental fund types in accordance with state law and generally accepted accounting principles. The budget was not amended for the year ended December 31, 1999. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the district attorney's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since its inclusion would make the statements unduly complex and difficult to read. Certain amounts for 1998 have been reclassified to conform to the 1999 presentation.

VACATION AND SICK LEAVE

Employees earn 12 days of vacation and sick leave each year. Vacation and sick leave must be used in the year earned.

TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

Cash includes cash on hand, amounts in demand deposits, interest bearing demand deposits and time deposits. Under state law, the district attorney may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. At December 31, 1999, the carrying amount of deposits was \$613,742 and the bank balance was \$621,500. The bank balance was covered by federal depository insurance and securities pledged by the banks. Some of the pledged securities are in the name of the pledging fiscal agent bank in a custodial bank, rather than in the name of the District Attorney's Office. At December 31, 1999, \$146,040 of the bank balance is considered uncollateralized (Category 3) under the provisions of GASB codification C20.106. There was also a balance of \$7,679 recorded as cash on hand at December 31, 1999, which was uncollateralized.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

Commissions and Fees from -	
City of Ruston	\$ 1,331
Lincoln Parish Sheriff's Office	8,161
Union Parish Sheriff's Office	2,775
Title IV-D Reimbursement Grant Monies from the State of LA, DHHR	13,004
Louisiana Commission on Law Enforcement	<u>26,826</u>
TOTAL	<u>\$ 52,097</u>

The District Attorney's Office did not accrue grant revenue from the Louisiana Commission on Law Enforcement of \$3,351 related to expenditures for December, 1999, because all grant requirements had not been met so that the grants beginning December 1, 1999 through November 30, 2000, could be approved. Approval is expected to be received in 2000.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1999

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed asset equipment follows:

Balance - January 1, 1998	\$ 355,213
Additions	13,520
Balance - December 31, 1999	<u>\$ 368,733</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 1999, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 76,173	\$ 0
Special Revenue Fund - Title IV-D	0	3,995
Special Revenue Fund - Worthless Check	0	65,726
Special Revenue Fund - TDNET	264	0
Agency Fund - Forfeitures	0	6,716
	<u>\$ 76,437</u>	<u>\$ 76,437</u>

NOTE 6 - RENT

Beginning in March, 1999, the District Attorney's Office began leasing a building for the use of the multi-jurisdictional agency narcotics task force (i.e., TDNET) for \$1,284 per month.

NOTE 7 - PENSION PLANS

The District Attorney's Office contributes to the District Attorneys' Retirement System and the Parochial Employees Retirement System of Louisiana. The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorneys' Retirement System. All other employees are members of the Parochial Employees Retirement System of Louisiana, if they are permanent employees working at least 28 hours a week.

The Parochial Employees Retirement System (PERS) is a cost-sharing, multiple-employer, defined benefit pension plan which is administered and controlled by a board of trustees. The PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Parochial Employees Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

The PERS has a Plan A and a Plan B, the District Attorney's Office participates in Plan A. Plan A members are required to contribute 9.5% of their annual covered salary and the District Attorney's Office is required to contribute at an actuarially determined rate. The rate for 1999, 1998, 1997, and 1996 was 7.75%, 7.75%, 7.75%, and 7.25%, respectively, of annual covered payroll. The contribution requirements of plan members and the District Attorney's Office are established and may be amended by the Louisiana Legislature. The District Attorney's contributions to PERS for the years ended December 31, 1999, 1998, 1997, and 1996 were \$20,870, \$21,371, \$19,895, and \$14,429, respectively, equal to the required contributions for each year.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 7 - PENSION PLANS (CONTINUED)

The District Attorneys' Retirement System (DARS) is a defined benefit pension plan which provides retirement allowances and other benefits. It is a statewide retirement system which is administered and controlled by a board of trustees. The DARS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The DARS issues a publicly available financial report that includes financial statements and required supplementary information for DARS. That report may be obtained by writing to District Attorneys' Retirement System of Louisiana, 2109 Decatur Street, New Orleans, Louisiana 70116, or by calling (504) 947-5551.

Plan members are required to contribute 7% of their annual covered salary and the District Attorney's Office is required to contribute at an actuarially determined rate. The rate for the years ended June 30, 2000, 1999, 1998, 1997, and 1996 was 0%, 0%, 1.25%, 2.5%, and 3.25%, respectively, of annual covered payroll. The contribution requirements of plan members and the District Attorney's Office are established and may be amended by the Louisiana Legislature. The District Attorney's contributions to DARS for the years ended December 31, 1998, 1997, and 1996 were \$1,379, \$3,090, and \$2,464, respectively, equal to the required contributions for each year.

NOTE 8 - ON-BEHALF PAYMENTS

Employees of the District Attorney's Office received salaries and fringe benefits from the State of Louisiana, Lincoln Parish Police Jury, and Union Parish Police Jury. The following is a summary of these on-behalf payments:

	1999	1998
<u>General Fund</u>		
Salaries	\$ 369,442	\$ 366,682
Fringe Benefits	<u>37,485</u>	<u>43,326</u>
Total On-Behalf Payments	<u>\$ 406,927</u>	<u>\$ 410,008</u>
 <u>Special Revenue Funds</u>		
Salaries	\$ 41,972	\$ 37,557
Fringe Benefits	<u>10,050</u>	<u>9,679</u>
Total On-Behalf Payments	<u>\$ 52,022</u>	<u>\$ 47,236</u>

Fringe benefits paid by the State of Louisiana, the Lincoln Parish Police Jury, and the Union Parish Police Jury include pension plan contributions to the Parochial Employees Retirement System and the District Attorneys' Retirement System.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 9 - FIDUCIARY FUND

The District Attorney's Office receives funds under the asset forfeiture law, under the bond forfeiture law, and for bail bond license fees for further disbursement. The asset forfeiture funds and the bond forfeiture funds are held until a judgement is rendered on each case instructing the District Attorney's Office on the disbursement of the funds. The bail bond license fees are disbursed to various agencies, including the District Attorney's general fund, as provided by law. The Forfeiture and Fine Fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities are as follows for the year ended December 31, 1999:

	BALANCE JANUARY 1 <u>1999</u>	<u>Additions</u>	<u>Deductions</u>	BALANCE DECEMBER 31 <u>1999</u>
ASSETS				
Cash	\$ 139,734	\$ 267,842	\$ (215,540)	\$ 192,036
Non-Cash Assets Seized	<u>20,489</u>	<u>35,219</u>	<u>0</u>	<u>55,708</u>
TOTAL ASSETS	<u>\$ 160,223</u>	<u>\$ 303,061</u>	<u>\$ (215,540)</u>	<u>\$ 247,744</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Seizures not yet Forfeited	\$ 99,937	\$ 180,647	\$ (78,379)	\$ 202,205
Judgements not yet Disbursed	56,299	197,624	(215,100)	38,823
Due to Other Funds	<u>3,987</u>	<u>2,729</u>	<u>0</u>	<u>6,716</u>
TOTAL LIABILITIES	<u>160,223</u>	<u>381,000</u>	<u>(293,479)</u>	<u>247,744</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 160,223</u>	<u>\$ 381,000</u>	<u>\$ (293,479)</u>	<u>\$ 247,744</u>

**FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$ 140,099	\$ 78,555
Certificates of Deposit	103,246	136,555
Due from Other Governmental Units--		
Commissions on Fines	12,267	10,276
Grants - Louisiana Commission on Law Enforcement	9,542	2,339
Due from Other Funds	76,173	62,538
TOTAL ASSETS	<u>\$ 341,327</u>	<u>\$ 290,263</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 3,032	\$ 8,564
Accrued Liabilities	17,708	25,348
TOTAL LIABILITIES	<u>20,740</u>	<u>33,912</u>
 FUND BALANCE		
Unreserved and Undesignated	<u>320,587</u>	<u>256,351</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 341,327</u>	<u>\$ 290,263</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 1999

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
REVENUES				
Fees	\$ 90,000	\$ 122,532	\$ 32,532	\$ 38,270
Grant	128,925	104,295	(24,630)	150,528
Interest Income	7,400	8,167	767	6,471
Intergovernmental	205,000	278,349	73,349	324,074
On-Behalf Revenue	523,892	406,927	(116,965)	410,008
Other Income	1,500	450	(1,050)	474
TOTAL REVENUES	<u>956,717</u>	<u>920,720</u>	<u>(35,997)</u>	<u>929,825</u>
EXPENDITURES				
Capital Outlay	7,200	5,207	1,993	10,074
Auto Expense	4,000	4,348	(348)	4,454
Dues and Subscriptions	9,500	1,443	8,057	2,311
Employee Benefits	30,193	19,228	10,965	21,837
Insurance	74,440	73,635	805	77,841
LDAA Building Assessment	0	7,000	(7,000)	0
Law Library	8,000	0	8,000	0
Office Expenses	21,000	13,743	7,257	10,091
Other	17,600	5,546	12,054	3,227
Payroll Taxes	10,330	8,967	1,363	9,980
Professional Fees	20,000	19,034	966	13,214
Rent	0	1,190	(1,190)	2,019
Repairs and Maintenance	4,100	51	4,049	950
Salaries	754,377	683,970	70,407	682,016
Settlement of Seizures	0	1,683	(1,683)	0
Telephone	19,000	6,451	12,549	7,226
Training and Seminars	4,100	1,916	2,184	6,717
Travel and Meals	29,000	27,690	1,310	32,064
TOTAL EXPENDITURES	<u>1,012,840</u>	<u>881,102</u>	<u>131,738</u>	<u>884,021</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(56,123)	39,618	95,741	45,804
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	9,420	30,852	21,432	41,560
Operating Transfers Out	(7,130)	(6,234)	896	(6,615)
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>2,290</u>	<u>24,618</u>	<u>22,328</u>	<u>34,945</u>
EXCESS (DEFICIENCY) OF REVENUES				
AND OTHER SOURCES OVER				
(UNDER) EXPENDITURES AND				
OTHER USES	(53,833)	64,236	118,069	80,749
FUND BALANCE - BEGINNING	<u>150,000</u>	<u>256,351</u>	<u>106,351</u>	<u>175,602</u>
FUND BALANCE - ENDING	<u>\$ 96,167</u>	<u>\$ 320,587</u>	<u>\$ 224,420</u>	<u>\$ 256,351</u>

SPECIAL REVENUE FUNDS

Title IV-D Fund

To account for the receipt and expenditures of incentive payments and reimbursement grants from the Louisiana Department of Health and Human Resources, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Worthless Check Fund

To account for the receipt and use of the proceeds from fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives, from the principle to the offense, a prescribed amount upon collection of a worthless check. The fund may be used only to defray the salaries and expenses of the office of the District Attorney but may not be used to supplement the salary of the District Attorney.

Third District Narcotics Enforcement Team (TDNET)

To account for the receipt and use of monies from various governmental and law enforcement agencies, grants, and forfeitures in the restriction and elimination of illegal sales and consumption of controlled dangerous substances in Lincoln and Union Parishes. The TDNET operates through an interagency cooperation with the Ruston Police Department, the Union Parish Sheriff's Department, the Lincoln Parish Sheriff's Department, and the District Attorney's Office. The TDNET is not legally separate from the District Attorney's Office.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1999
WITH COMPARATIVE TOTALS FOR
DECEMBER 31, 1998

	<u>TITLE</u> <u>IV-D</u>	<u>WORTHLESS</u> <u>CHECK</u>	<u>TDNET</u>	<u>TOTALS</u>	
				<u>1999</u>	<u>1998</u>
ASSETS					
Cash	\$ 37,963	\$ 867	\$ 18,387	\$ 57,217	\$ 146,137
Certificate of Deposit	19,959	108,864	0	128,823	116,732
Due from Other Funds	0	0	264	264	0
Due from Other Governmental Units - Louisiana Commission on Law Enforcement	0	0	17,284	17,284	5,018
State of Louisiana - DHHR Incentives	0	0	0	0	2,797
DHHR Grant	<u>13,004</u>	<u>0</u>	<u>0</u>	<u>13,004</u>	<u>6,288</u>
TOTAL ASSETS	<u>\$ 70,926</u>	<u>\$ 109,731</u>	<u>\$ 35,935</u>	<u>\$ 216,592</u>	<u>\$ 276,972</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 1,279	\$ 1,279	\$ 615
Due to Merchants	0	2,505	0	2,505	0
Due to Other Funds	<u>3,995</u>	<u>65,726</u>	<u>0</u>	<u>69,721</u>	<u>29,803</u>
TOTAL LIABILITIES	<u>3,995</u>	<u>68,231</u>	<u>1,279</u>	<u>73,505</u>	<u>30,418</u>
FUND EQUITY					
Fund Balances - Unreserved and Undesignated	<u>66,931</u>	<u>41,500</u>	<u>34,656</u>	<u>143,087</u>	<u>246,554</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 70,926</u>	<u>\$ 109,731</u>	<u>\$ 35,935</u>	<u>\$ 216,592</u>	<u>\$ 276,972</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1999
WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 1998

	TITLE	WORTHLESS	TDNET	TOTALS	
	IV-D	CHECK		1999	1998
REVENUES					
Fees	\$ 0	\$ 62,310	\$ 0	\$ 62,310	\$ 58,028
Grant	133,190	0	44,422	177,612	154,766
Incentives	0	0	0	0	33,948
Interest Income	880	5,075	0	5,955	6,134
Intergovernmental	0	0	25,252	25,252	24,754
On-Behalf Revenue	12,787	36,113	3,122	52,022	47,236
TOTAL REVENUES	<u>146,857</u>	<u>103,498</u>	<u>72,796</u>	<u>323,151</u>	<u>324,866</u>
EXPENDITURES					
Capital Outlay	0	0	8,313	8,313	16,347
Auto Expense	0	0	34	34	402
Confidential Advances	0	0	6,374	6,374	15,867
Employee Benefits	5,069	5,588	0	10,657	12,981
Insurance	12,710	12,845	2,378	27,933	27,506
Investigation Supplies	0	0	2,403	2,403	2,226
Office Expense	1,058	35	3,483	4,576	5,968
Other	0	0	656	656	645
Payroll Taxes	1,579	1,295	960	3,834	3,495
Professional Fees	3,500	0	0	3,500	3,400
Rent	0	0	15,408	15,408	14,195
Repairs & Maintenance	0	0	877	877	1,430
Salaries	109,710	96,254	24,000	229,964	242,146
Settlement of Seizures	0	0	3,000	3,000	0
Telephone	1,346	0	9,549	10,895	11,314
Training and Seminars	165	0	0	165	282
Travel	3,069	0	0	3,069	2,059
TOTAL EXPENDITURES	<u>138,206</u>	<u>116,017</u>	<u>77,435</u>	<u>331,658</u>	<u>360,263</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER					
(UNDER)					
EXPENDITURES	8,651	(12,519)	(4,639)	(8,507)	(35,397)
OTHER FINANCING					
SOURCES (USES)					
Operating Transfers	<u>(29,104)</u>	<u>0</u>	<u>4,486</u>	<u>(24,618)</u>	<u>(34,945)</u>
EXCESS (DEFICIENCY) OF					
REVENUES AND OTHER					
SOURCES OVER (UNDER)					
EXPENDITURES AND					
OTHER USES	(20,453)	(12,519)	(153)	(33,125)	(70,342)
FUND BALANCE -					
BEGINNING	<u>87,384</u>	<u>54,019</u>	<u>34,809</u>	<u>176,212</u>	<u>246,554</u>
FUND BALANCE -					
ENDING	<u>\$ 66,931</u>	<u>\$ 41,500</u>	<u>\$ 34,656</u>	<u>\$ 143,087</u>	<u>\$ 176,212</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TITLE IV-D FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1999
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 1998

	<u>1999</u>		<i>Variance Favorable (Unfavorable)</i>	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Grant	\$ 142,500	\$ 133,190	\$ (9,310)	\$ 111,024
Incentives	0	0	0	33,948
Interest Income	0	880	880	863
On-Behalf Revenue	<u>9,920</u>	<u>12,787</u>	<u>2,867</u>	<u>4,678</u>
TOTAL REVENUES	<u>152,420</u>	<u>146,857</u>	<u>(5,563)</u>	<u>150,513</u>
EXPENDITURES				
Capital Outlay	0	0	0	275
Employee Benefits	5,000	5,069	(69)	5,396
Insurance	10,000	12,710	(2,710)	13,319
Office Expense	2,000	1,058	942	680
Other	2,000	0	2,000	26
Payroll Taxes	1,500	1,579	(79)	1,404
Professional Fees	0	3,500	(3,500)	3,400
Salaries	115,000	109,710	5,290	108,964
Telephone	1,500	1,346	154	1,032
Training and Seminars	0	165	(165)	60
Travel	<u>6,000</u>	<u>3,069</u>	<u>2,931</u>	<u>2,059</u>
TOTAL EXPENDITURES	<u>143,000</u>	<u>138,206</u>	<u>4,794</u>	<u>136,615</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,420	8,651	769	13,898
OTHER FINANCING USES				
Operating Transfers Out	<u>(9,420)</u>	<u>(29,104)</u>	<u>(19,684)</u>	<u>(41,560)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(20,453)	(20,453)	(27,662)
FUND BALANCE - BEGINNING	<u>110,000</u>	<u>87,384</u>	<u>(22,616)</u>	<u>115,046</u>
FUND BALANCE - ENDING	<u>\$ 110,000</u>	<u>\$ 66,931</u>	<u>\$ (43,069)</u>	<u>\$ 87,384</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - WORTHLESS CHECK FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1999
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 1998

	<u>1999</u>		Variance Favorable (Unfavorable)	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Fees	\$ 56,000	\$ 62,310	\$ 6,310	\$ 58,028
Interest Income	4,300	5,075	775	5,271
On-Behalf Revenue	47,370	36,113	(11,257)	42,558
TOTAL REVENUES	<u>107,670</u>	<u>103,498</u>	<u>(4,172)</u>	<u>105,857</u>
EXPENDITURES				
Employee Benefits	6,400	5,588	812	6,748
Insurance	9,900	12,845	(2,945)	11,047
Office Expense	0	35	(35)	561
Payroll Taxes	1,300	1,295	5	1,465
Salaries	97,200	96,254	946	111,384
TOTAL EXPENDITURES	<u>114,800</u>	<u>116,017</u>	<u>(1,217)</u>	<u>131,205</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(7,130)	(12,519)	(5,389)	(25,348)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>7,130</u>	<u>0</u>	<u>(7,130)</u>	<u>0</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	0	(12,519)	(12,519)	(25,348)
FUND BALANCE - BEGINNING	<u>90,000</u>	<u>54,019</u>	<u>(35,981)</u>	<u>79,367</u>
FUND BALANCE - ENDING	<u>\$ 90,000</u>	<u>\$ 41,500</u>	<u>\$ (48,500)</u>	<u>\$ 54,019</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TDNET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1999
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 1998

	<u>1999</u>		Variance Favorable (Unfavorable)	<u>1998</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Grant	\$ 44,778	\$ 44,422	\$ (356)	\$ 43,742
Intergovernmental	15,000	25,252	10,252	24,754
On-Behalf Revenue	0	3,122	3,122	0
TOTAL REVENUES	<u>59,778</u>	<u>72,796</u>	<u>13,018</u>	<u>68,496</u>
EXPENDITURES				
Capital Outlay	8,000	8,313	(313)	16,072
Auto Expense	0	34	(34)	402
Confidential Advances	16,200	6,374	9,826	15,867
Employee Benefits	0	0	0	837
Insurance	0	2,378	(2,378)	3,140
Investigation Supplies	2,000	2,403	(403)	2,226
Office Expense	2,600	3,483	(883)	4,727
Other	400	656	(256)	619
Payroll Taxes	700	960	(260)	626
Rent	15,408	15,408	0	14,195
Repairs and Maintenance	900	877	23	1,430
Salaries	24,000	24,000	0	21,798
Settlement of Seizures	0	3,000	(3,000)	0
Telephone	9,300	9,549	(249)	10,282
Training and Seminars	100	0	100	222
Travel	400	0	400	0
TOTAL EXPENDITURES	<u>80,008</u>	<u>77,435</u>	<u>2,573</u>	<u>92,443</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,230)	(4,639)	15,591	(23,947)
OTHER FINANCING SOURCES				
Operating Transfers In	0	6,234	6,234	6,615
Operating Transfers Out	0	(1,748)	(1,748)	0
TOTAL OTHER FINANCING SOURCES (USES)	0	4,486	4,486	6,615
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(20,230)	(153)	20,077	(17,332)
FUND BALANCE - BEGINNING	<u>40,000</u>	<u>34,809</u>	<u>(5,191)</u>	<u>52,141</u>
FUND BALANCE - ENDING	<u>\$ 19,770</u>	<u>\$ 34,656</u>	<u>\$ 14,886</u>	<u>\$ 34,809</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all fixed assets owned by the District Attorney's Office.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
GENERAL FIXED ASSETS		
Equipment	\$ <u>368,733</u>	\$ <u>355,213</u>
TOTAL GENERAL FIXED ASSETS	\$ <u>368,733</u>	\$ <u>355,213</u>
 INVESTMENT IN GENERAL FIXED ASSETS		
Property Acquired from--		
Contributions from Other Governmental Units	\$ 61,105	\$ 61,105
Special Revenue Funds	118,918	110,605
General Fund	<u>188,710</u>	<u>183,503</u>
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	\$ <u>368,733</u>	\$ <u>355,213</u>

OTHER REPORTS AND SCHEDULES

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Robert W. Levy
District Attorney of the Third Judicial District
P.O. Box 777
Ruston, Louisiana 71273

I have audited the general purpose financial statements of the District Attorney, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 22, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to management in a separate letter dated June 22, 2000.

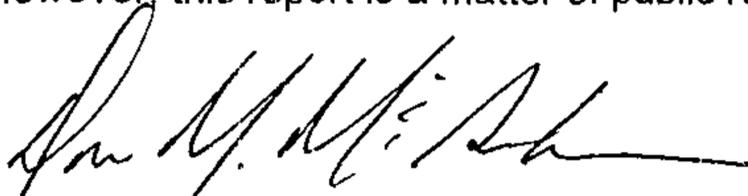
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the District Attorney's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described in the accompanying schedule of findings and questioned costs as item #1999-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider the reportable condition described above to be a material weakness. However, I noted other matters involving the internal control over financial reporting that I have reported to management in a separate letter dated June 22, 2000.

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This report is intended solely for the information of the District Attorney's Office, the Office of Family Security for the Provisions of Child Support Services, the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Don M. McGehee". The signature is fluid and cursive, with a long horizontal stroke at the end.

Don M. McGehee
Certified Public Accountant
June 22, 2000

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 1999, and have issued my report thereon dated June 22, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion. I also noted certain immaterial instances of noncompliance that I have reported to the management of the District Attorney's Office in a separate management letter.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section II Financial Statement Findings

1999-1. Separation of Duties. The District Attorney's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Section III Management Letter Findings

1999-2. Budget Variances. State law requires the budget be amended if actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures. The District Attorney's special revenue fund actual beginning fund balance was less than budgeted amounts by 27% and fund balance is being used to fund current year expenditures. I recommend making budget amendments to adjust beginning fund balance after year end financial statements have been prepared if the amounts vary unfavorably from budgeted amounts by more than 5%.

1999-3. Budget Publication. State law requires that the public should have an opportunity to participate in the budgetary process prior to adoption of the budget, if total proposed expenditures are \$250,000 or more from the general fund and any special revenue funds, by publishing a notice stating that the proposed budget is available for public inspection and that a public hearing will be held with the date, time and place specified. The District Attorney's Office made their budget available for public inspection, but they did not publish the required notice or hold the required public hearing. I recommend the notice described above be published and a public hearing held for the next budget prepared.

1999-4. Internal Control Procedures for Collection of Cash. The District Attorney's Office does not have sufficient formal internal control procedures in place to handle the fees collected from participants in the Pre-Trial Diversion program. During the audit, I found areas in the internal control system that I believe could be strengthened without substantial cost to the District Attorney's Office. I recommend updating the policy for the collection of cash, assigning personnel not involved in the collection of cash to preparing deposits, using pre-numbered receipts for all amounts received, and developing a method to reconcile amounts collected to fees assessed.

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

MANAGEMENT LETTER

June 22, 2000

Honorable Robert W. Levy
District Attorney of the Third Judicial District
P.O. Box 777
Ruston, Louisiana 71273

In planning and performing my audit of the general purpose financial statements of the District Attorney for the year ended December 31, 1999, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during my audit I became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding this matter. I previously reported on internal control in my audit report dated June 22, 2000; this letter does not affect that report.

I will review the status of these comments during our next audit engagement. I have already discussed these comments and suggestions with your personnel, and I will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.



Don M. McGehee
Certified Public Accountant

MANAGEMENT MEMORANDUM

To: Honorable Robert W. Levy
District Attorney

From: Don M. McGehee, CPA

During the course of my audit, I observed the following conditions which are opportunities for you to strengthen your internal control and increase efficiency. My recommendations for improvement are also included.

BUDGET VARIANCES

State law requires the budget be amended if actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures. The District Attorney's special revenue fund actual beginning fund balance was less than budgeted amounts by 27% and fund balance is being used to fund current year expenditures. I recommend making budget amendments to adjust beginning fund balance after year end financial statements have been prepared if the amounts vary unfavorably from budgeted amounts by more than 5%.

BUDGET PUBLICATION

State law requires that the public should have an opportunity to participate in the budgetary process prior to adoption of the budget, if total proposed expenditures are \$250,000 or more from the general fund and any special revenue funds, by publishing a notice stating that the proposed budget is available for public inspection and that a public hearing will be held with the date, time and place specified. The District Attorney's Office made their budget available for public inspection, but they did not publish the required notice or hold the public hearing. I recommend the notice described above be published and a public hearing held for the next budget prepared.

INTERNAL CONTROL PROCEDURES FOR COLLECTION OF CASH

The District Attorney's Office does not have sufficient formal internal control procedures in place to handle the fees collected from participants in the Pre-Trial Diversion program. During the audit, I found areas in the internal control system that I believe could be strengthened without substantial cost to the District Attorney's Office. I recommend updating the policy for the collection of cash, assigning personnel not involved in the collection of cash to preparing deposits, using pre-numbered receipts for all amounts received, and developing a method to reconcile amounts collected to fees assessed.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1999**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

<u>FINDINGS</u>	<u>RESPONSE</u>
1998-1. Separation of Duties. The District Attorney's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.	Unresolved. See 1999-1.
1999-2. Report Submitted After Due Date. The audit report was not transmitted to the Legislative Auditor until July 16, 1999.	Resolved.

SECTION 2 MANAGEMENT LETTER

1998-3. Budget Variances. The District Attorney's Special Revenue Fund's actual revenue was more than 5% less than amounts budgeted.	Partially resolved. See 1999-2.
1998-4. Budget Publication. The District Attorney's budget adoption process did not allow the public an opportunity to participate and the budget was not published.	Unresolved. See 1999-3.
1998-5. Salary and Benefits Reimbursement Reconciliation. The Attorney's Office requested amounts in error for reimbursement	Resolved.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 1999**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

FINDINGS

1999-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

RESPONSE

It would not be cost-effective to hire additional personnel to provide adequate separation of duties for internal control for this size workload.

SECTION II MANAGEMENT LETTER

FINDINGS

1999-2. Budget Variances. Recommend amending the budget once year end is closed for significant variances in beginning fund balance.

RESPONSE

The financial administrator, Carol Cooper, will begin amending the budget after year end for significant variances in beginning fund balance beginning in July, 2000.

1998-3. Budget Publication. Recommend the notice allowing public participation in the budgetary process be published for the next budget prepared.

The financial administrator, Carol Cooper, will publish a notice stating that the budget is available for public inspection and that a public hearing will be held with the date, time and place specified for the 2001 budget.

1998-4. Internal Control Procedures for Collection of Cash. Recommend updating procedures, assigning personnel not involved in collection of cash to preparing deposits, using pre-numbered receipts for all amounts received, and developing a method of reconciling amounts collected to fees assessed.

The financial administrator, Carol Cooper, will update procedures for collection of cash, assign someone to prepare deposits that is not involved with collections, order pre-numbered receipts to be used, and develop a method of reconciliation beginning September 1, 2000.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT EFFECTIVE DATE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES
U.S. Department of Health & Human Services:					
Passed Through					
Louisiana Department of Social Services--					
Office of Family Support for the Provision					
of Child Support Enforcement Services					
Child Support Enforcement Title IV-D	Before 7-1-99	13.783	355-70011601	114,158	\$ 65,608
	After 6-30-99		355-000664	142,500	<u>67,586</u>
Total Department of Health & Human Services					133,194
(32) U.S. Department of Justice:					
Combination Prosecution					
	1-1-99	16.588	97-M1-M.02-0448	39,307	39,307
	After 11-30-99		M99-1-005	44,976	2,784
Passed Through					
Louisiana Commission on Law Enforcement and					
Administration of Criminal Justice					
Drug Control and Systems Improvement--					
Formula Grant					
Multi-Jurisdictional Task Force					
	Before 12-1-99	16.579	B99-1-004	44,778	42,644
	After 11-30-99		B00-1-008	46,580	1,548
	Before 12-1-99	16.579	98-B1-B.20-0079	23,715	21,618
	After 11-30-99		B00-1-009	28,199	1,803
	1-1-99	16.540	98-J1-J.3-0246	16,844	<u>16,844</u>
Juvenile Community Service Program					<u>126,548</u>
Total Department of Justice					\$ 259,742
TOTAL FEDERAL ASSISTANCE					