

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 7/20/11

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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DON M. MCGEHEE
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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

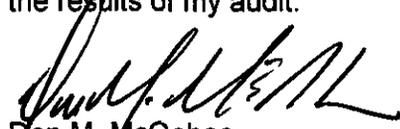
I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Third Judicial District, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the District Attorney's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District Attorney's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Third Judicial District, as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 and pages 23 - 24, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

In accordance with Government Auditing Standards, I have also issued a report dated June 30, 2011, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. *The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.* That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.



Don M. McGehee
Certified Public Accountant
June 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010

Our discussion and analysis of the District Attorney's financial performance provides an overview of the financial activities for the year ended December 31, 2010. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 8.

Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements consist of a Statement of Net Assets and a Statement of Activities and provide information about the financial activities of our Office as a whole. The government-wide statements present a long-term view of our finances. Fund financial statements consist of the respective fund's balance sheet and the fund's statement of revenues, expenditures and changes in fund balance, if applicable. The fund statements tell how our services were financed in the short-term and what remains for future spending. The primary difference between the fund and government-wide statement presentation methods is that expenditures for capital assets are expensed in the fund financial statements but capitalized and depreciated in the government-wide statements.

Our office reports information about monies we hold as an agent for others in the fiduciary fund. We are responsible for ensuring that all assets held for others are distributed as ordered by the court. We cannot use the assets held for others to finance our operations.

Statement of Net Assets and Statement of Activities

One of the most important questions asked about our finances is, "Is the District Attorney's Office as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about our Office as a whole and about our activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is a method similar to accounting used by most private-sector companies. All revenues and expenses of the current year are reported under this method regardless of when cash is received or disbursed.

These two statements report our Office's net assets and the changes in the net assets. You can think of net assets - the difference between assets and liabilities - as one way to measure the financial health, or financial position, of our Office. Increases/(decreases) in our net assets are one indicator of whether our financial health is improving/(deteriorating).

We report the financial activity of all services provided by us in the Statement of Net Assets and Statement of Activities. Expenses primarily include salaries and related benefits, and office expenses. Fees received from the defendants, grants and other assistance, and on-behalf payments from the State of Louisiana finance most of our activities.

Government-Wide Financial Analysis

As noted above, net assets may serve as a useful indicator of an entity's financial position. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the governmental activities of our Office.

Table 1
Total Net Assets

	<u>2010</u>	<u>2009</u>
Current Assets	\$ 528,353	\$ 382,591
Capital Assets	<u>67,790</u>	<u>70,622</u>
Total Assets	<u>596,143</u>	<u>453,213</u>
Current Liabilities	80,941	53,748
Noncurrent Liabilities	<u>93,139</u>	<u>108,739</u>
Total Liabilities	<u>174,080</u>	<u>162,487</u>
Net Assets:		
Investment in Capital Assets	67,790	70,622
Unrestricted Net Assets	<u>354,273</u>	<u>220,104</u>
Total Net Assets	<u>\$ 422,063</u>	<u>\$ 290,726</u>

Net assets increased \$131,337 from the prior year. Unrestricted net assets, which is the part of net assets that can be used to finance the day-to-day operations of our office without constraints, increased \$134,169.

Table 2
Change in Net Assets

	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues:		
Fees	\$ 211,435	\$ 209,647
Intergovernmental	840,311	660,543
On-Behalf Revenue	407,818	386,749
Grants and Other Assistance	381,939	364,109
General Revenues:		
Intergovernmental	289,660	289,660
Interest Income	995	1,429
Miscellaneous Income	<u>1,324</u>	<u>1,460</u>
Total Revenues	<u>2,133,482</u>	<u>1,913,597</u>
Program Expenses:		
General Government-Judiciary	1,594,327	1,648,120
On-Behalf Expenses	<u>407,818</u>	<u>386,749</u>
Total Expenses	<u>2,002,145</u>	<u>2,034,869</u>
Decrease in Net Assets	<u>\$ 131,337</u>	<u>\$ (121,272)</u>

Total revenues increased by 11% (\$219,885) from the prior year. Fees increased by 1% (\$1,788), intergovernmental program revenue increased 27% (\$179,768), and grants increased by 5% (\$17,830). On-behalf revenue increased 5% (\$21,069) primarily due to a vacant position from the prior year being filled.

Expenses decreased 2% (\$32,724), mainly due to a decrease in attorney fees not covered by insurance expensed in prior year related to a malpractice claim. This decrease was partially offset by an increase in the required retirement contributions.

The net effect was a \$252,609 increase in the total change in net assets for the year ended December 31, 2010, compared to the prior year total change in net assets.

Fund Financial Statements

As of our year end on December 31, 2010, our governmental funds reported a fund balance of \$428,313, which is \$117,265 more than last year's fund balance. During 2010, revenues increased 12% (\$232,049) primarily as a result of a \$51,103 increase in forfeitures, a \$90,669 increase in criminal court fund revenue, a \$29,992 increase in grants, and a \$21,069 increase in on-behalf revenue. Expenditures increased 5% (\$92,171) over the prior year primarily in salaries and benefits as retirement contribution rates increased and health insurance premiums increased.

General Fund Budgetary Highlights

We amend our budget when we determine there are unexpected differences between actual and anticipated revenues and/or expenditures. Our final amended budget was adopted just prior to year end. The differences between the original and final amended budget were a 12% (\$183,380) increase in revenues and a 2% (\$31,260) increase in expenditures. The change in budgeted revenues included a \$9,215 decrease in fees, a \$24,796 increase in grant revenue, and a \$167,193 increase in intergovernmental revenues. The changes to budgeted expenditures included an upward adjustment to budgeted salaries of \$47,944 and employee benefits of \$23,114, while contract services were decreased \$29,890, travel expenses decreased \$12,736, and trial expenses decreased \$10,536. There were no other significant budget amendments.

Actual general fund revenues were less than 1% (\$557) greater than budgeted revenues, and actual general fund expenditures and transfers were 3% (\$46,277) more than budgeted expenditures and transfers. Grant revenues exceeded budgeted amounts by \$38,582, primarily because one grant was not included in the budgeting process. This increase in revenue was offset by a decrease in intergovernmental revenues of \$40,551. Salaries expenses were \$71,644 less than budgeted amounts and contract services were \$30,684 more than budgeted amounts. Insurance expense was \$110,299 more than budgeted amounts while employee benefits were \$73,474 less than budgeted. Additionally, \$18,406 more than budgeted was transferred out to special revenue funds.

Capital Assets

In 2010 we purchased computer equipment and office furniture. For the upcoming year, we plan to purchase additional computer equipment and office furniture, but there are no plans to issue debt to finance these purchases or any other future project.

Currently Known Facts, Decisions, or Conditions

We are not aware of any facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations after the reporting date.

Contacting the District Attorney's Office

This financial report is designed to provide citizens and taxpayers with a general overview of the finances of the District Attorney's Office and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Attorney's Office at 100 W. Texas Avenue, Ruston, LA 71270.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

**STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 360,624
Certificates of Deposit	28,529
Due from Other Governmental Units	93,978
Due from Grants	33,510
Due from Others	4,490
Prepaid Insurance	7,104
Interest Receivable	118
Capital assets, net of depreciation	<u>67,790</u>
Total Assets	<u>596,143</u>
LIABILITIES	
Accounts Payable	33,173
Accrued Liabilities	45,268
Deferred Revenue, unearned	2,500
Noncurrent Liability:	
Due within one year	15,600
Due in more than one year	<u>77,539</u>
Total Liabilities	<u>174,080</u>
NET ASSETS	
Invested in Capital Assets	67,790
Unrestricted	<u>354,273</u>
Total Net Assets	<u>\$ 422,063</u>

See accompanying notes to financial statements.

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

		<u>Program Revenues</u>		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
GOVERNMENTAL ACTIVITIES:				
General Government-Judicial	\$ <u>2,002,145</u>	\$ <u>1,459,564</u>	\$ <u>381,939</u>	\$ <u>(160,642)</u>
Total Governmental Activities	\$ <u>2,002,145</u>	\$ <u>1,459,564</u>	\$ <u>381,939</u>	<u>(160,642)</u>
 General Revenues:				
<i>Intergovernmental not restricted to specific programs</i>				289,660
Interest earnings				995
Miscellaneous				<u>1,324</u>
Total General Revenues				<u>291,979</u>
Change in Net Assets				131,337
Net Assets - Beginning				<u>290,726</u>
Net Assets - Ending				<u>\$ 422,063</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	General Fund	Special Revenue Funds			Total Governmental Funds
		Title IV-D	Worthless Checks	TASC	
ASSETS					
Cash	\$ 271,787	\$ 32,216	\$ 45,512	\$ 11,109	\$ 360,624
Certificate of Deposit	0	0	28,529	0	28,529
Due from Other					
Governmental Units	44,405	19,778	0	25,953	90,136
Due from Grants	15,215	0	0	3,038	18,253
Due from Others	4,490	0	0	0	4,490
Interest Receivable	0	0	118	0	118
Due from Other Funds	88,068	0	0	0	88,068
Prepaid Expenses	7,104	0	0	0	7,104
Total Assets	\$ <u>431,069</u>	\$ <u>51,994</u>	\$ <u>74,159</u>	\$ <u>40,100</u>	\$ <u>597,322</u>
LIABILITIES AND FUND EQUITY					
EQUITY					
LIABILITIES					
Accounts Payable	\$ 32,592	\$ 10	\$ 0	\$ 571	\$ 33,173
Accrued Liabilities	45,268	0	0	0	45,268
Deferred Revenue	2,500	0	0	0	2,500
Due to Other Funds	0	22,271	21,432	44,365	88,068
Total Liabilities	<u>80,360</u>	<u>22,281</u>	<u>21,432</u>	<u>44,936</u>	<u>169,009</u>
FUND EQUITY					
Fund Balance (Deficit) -					
Unreserved and					
Undesignated	<u>350,709</u>	<u>29,713</u>	<u>52,727</u>	<u>(4,836)</u>	428,313
Total Liabilities and					
 Fund Equity	\$ <u>431,069</u>	\$ <u>51,994</u>	\$ <u>74,159</u>	\$ <u>40,100</u>	

Amounts reported in the Statement of Net Assets in the government-wide financial statements are different from those reported in the balance sheet above because:

Capital assets are not recognized as financial resources and are not reported as assets in the balance sheet above yet are recognized in the Statement of Net Assets. 67,790

Receivables that are not expected to be collected and available to timely pay current period expenditures are not recognized as financial resources and are not recorded as assets in the balance sheet above yet are recognized in the Statement of Net Assets. 19,099

Noncurrent liability that is not due and payable in the current period and therefore is not reported in the balance sheet above yet is recognized in the Statement of Net Assets. (93,139)

Net assets of government activities in the government-wide financial statements **\$ 422,063**

See accompanying notes to financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>General</u>	<u>Title IV-D</u>	<u>Worthless Checks</u>	<u>TASC</u>	<u>Total Governmental Funds</u>
REVENUES					
Fees	\$ 172,893	\$ 0	\$ 38,542	\$ 0	\$ 211,435
Grants and Other Assistance	128,878	237,887	0	13,870	380,635
Interest Income	460	141	242	153	996
Intergovernmental	948,772	0	0	181,199	1,129,971
On-Behalf Revenue	407,818	0	0	0	407,818
Other Income	<u>1,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,325</u>
Total Revenues	<u>1,660,146</u>	<u>238,028</u>	<u>38,784</u>	<u>195,222</u>	<u>2,132,180</u>
EXPENDITURES					
Capital Outlay	13,869	657	0	3,163	17,689
Auto Expense	39	0	0	0	39
Contract Services	35,012	4,847	2,424	0	42,283
Dues	5,944	0	0	0	5,944
Employee Benefits	89,909	25,873	2,793	9,059	127,634
Insurance	135,798	28,478	1,988	12,085	178,349
LDAA Assessment	12,671	0	0	0	12,671
Library	41,224	0	0	0	41,224
Lincoln Police Jury	14,000	0	0	0	14,000
Office Expense	58,966	4,341	0	7,921	71,228
Other	0	70	0	0	70
Payroll Taxes	19,370	3,110	257	3,798	26,535
Penalties and Interest	31	0	0	0	31
Professional Fees	19,700	6,420	0	56,809	82,929
Rent	22,783	0	0	4,426	27,209
Salaries	954,656	214,488	17,728	103,365	1,290,237
Telephone	17,591	2,174	0	2,051	21,816
Training and Seminars	575	0	0	0	575
Travel	24,410	599	0	1,848	26,857
Trial Expenses	<u>27,595</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,595</u>
Total Expenditures	<u>1,494,143</u>	<u>291,057</u>	<u>25,190</u>	<u>204,525</u>	<u>2,014,915</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	166,003	(53,029)	13,594	(9,303)	117,265
OTHER FINANCING SOURCES					
Operating Transfers	<u>(69,942)</u>	<u>49,475</u>	<u>0</u>	<u>20,467</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	96,061	(3,554)	13,594	11,164	117,265
Fund Balance(Deficit)-Beginning	<u>254,648</u>	<u>33,267</u>	<u>39,133</u>	<u>(16,000)</u>	<u>311,048</u>
Fund Balance(Deficit)-Ending	<u>\$ 350,709</u>	<u>\$ 29,713</u>	<u>\$ 52,727</u>	<u>\$ (4,836)</u>	<u>\$ 428,313</u>

See accompanying notes to financial statements.

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Net Change in Fund Balances-Total Governmental Funds **\$ 117,265**

Amounts reported in the Statement of Activities in the government-wide financial statements are different from those reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the fund financial statements because:

Capital outlays are not recognized as expenditures in the Statement of Activities, but an economic cost of the outlay over an estimated useful life of the asset is recognized as depreciation expense. Depreciation expense of \$20,520 recognized in the government-wide Statement of Activities exceeded the \$17,689 in capital outlay expenditures reported in the fund financial statements by \$2,831. (2,831)

Net revenues of \$19,098 recognized in the Statement of Activities were not available to fund current period expenditures and are not recognized as revenue in the fund financial statements. Revenues of \$17,795 that were recognized in the Statement of Activities in the prior year but not in the fund financial statements were recognized in the current period fund financial statements. 1,303

Expenses of \$15,600 that were accrued as a long-term liability in the Statement of Activities in a previous year but, are reported as current expenditures in the fund financial statements. 15,600

Change in Net Assets of Government Activities **\$ 131,337**

See accompanying notes to financial statements.

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

**STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2010**

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 122,610
Non-Cash Assets Seized	<u>48,675</u>
Total Assets	<u>171,285</u>
LIABILITIES	
Seizures not yet Forfeited	159,794
Judgements not yet Disbursed	<u>11,491</u>
Total Liabilities	<u>171,285</u>
NET ASSETS	<u>\$ 0</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, 2010**

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.

The accompanying basic financial statements of the District Attorney's Office are prepared in accordance with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies used by the District Attorney's Office are discussed below:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Judicial District Truancy Assessment and Services Center (TASC) is a jointly governed organization. TASC's purpose is to identify potential juvenile delinquent behavior, using truancy as the primary indicator, and to correct it through early intervention. It operates through an interagency cooperation agreement with various agencies in Lincoln and Union parishes and with the District Attorney's Office. TASC is a component unit, but is not a legally separate organization from the District Attorney's Office. TASC is blended and reported within the Special Revenue Fund.

FUND ACCOUNTING

The accounts of the District Attorney are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. Fund accounting utilizes three categories of funds: governmental, proprietary, and fiduciary. Furthermore, each category is divided into separate "fund types."

The fund categories used by the District Attorney's Office are governmental funds and fiduciary funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Fiduciary funds account for the activity of the District Attorney as an agent for third parties.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The District Attorney's Office uses the following special revenue funds:

Title IV-D Fund - To account for the receipt and expenditures of 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 Checks 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 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 Judicial District Truancy Assessment and Service Center (TASC) - To account for the receipt and use of monies from the State of Louisiana-Judicial Branch, authorized by the Children's Code Chapter 15, and a grant to operate a Truancy Assessment and Services Center. The TASC addresses the underlying causes of truancy to coordinate the pooling of existing resources targeted at the child and family and the providing of appropriate action by services and treatment agencies in Lincoln and Union parishes. The TASC operates through an interagency cooperation with the Third Judicial District Judges, Lincoln and Union Parish School Boards, Lincoln and Union Parish Police Jury, Lincoln and Union Parish Sheriff's Office, Louisiana Tech University, various other organizations, and the District Attorney's Office. The TASC is not legally separate from the District Attorney's Office.

Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the District Attorney's Office 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:

Forfeiture and Fine Fund - To account for assets received under the asset forfeiture law, under the bond forfeiture law, and for bail bond license fees. The asset forfeiture funds and the bond forfeiture funds are held until a judgment is rendered on each case instructing the District Attorney's Office on the disbursements of the funds. The bail bond license fees are distributed to various agencies, including the District Attorney's general fund, as provided by law.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means 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, and reimbursements for expenditures from the state. Revenues that are not considered susceptible to accrual include certain charges for fees and forfeitures. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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's Office prepared an operating budget on its General Fund and Special Revenue Funds for the year ended December 31, 2010. Budgetary data is prepared based on prior year actual operating revenues and expenditures. It is monitored by management and amended throughout the year as necessary. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The District Attorney's Office performs only a custodial function in the case of the agency fund and therefore a budget for this fund is not appropriate.

The 2010 general fund budget was authorized by the District Attorney, made available for public inspection at the District Attorney's Office, and adopted by the District Attorney. The budget was amended prior to year end by the District Attorney.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of cash on hand, demand deposits, interest-bearing demand deposits, and short-term time deposits with original maturities of three months or less from the date of acquisition. It also includes cash on hand and undeposited currency being held in trust for evidence. Under state law, the District Attorney may invest funds in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments are reported at fair value, except certificates of deposit are reported at cost.

SHORT-TERM 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.

CAPITAL ASSETS

Capital assets are capitalized at cost and depreciated over their estimated useful lives. Donated assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and Equipment	5 - 7 years
Vehicles	5 - 7 years

DEFERRED REVENUE

Amounts which have been received, but for which the revenue recognition criteria has not yet been met because such amounts have not yet been earned are classified as deferred revenue.

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. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year end.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

Cash consists of demand deposits (\$149,563), time deposits (\$353,691), and cash on hand (\$8,509). Demand deposits and certificates of deposit are carried at cost which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. Pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District Attorney's Office maintains accounts in various banks. Each bank provides temporary unlimited Federal Deposit Insurance Corporation (FDIC) coverage through December 31, 2012 on all noninterest-bearing transaction accounts. In addition, insurance coverage of \$250,000 is provided for all time deposits (time deposits are defined as any interest bearing account). At December 31, 2010, the District Attorney's Office has \$538,555 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

Cash on hand was made up of \$830 in checks being held for deposit and \$7,679 in undeposited currency being held in trust for evidence at December 31, 2010, which was uncollateralized.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

Commissions and Fees from -	
City of Ruston	\$ 297
Lincoln Parish Sheriff's Office	10,091
Union Parish Sheriff's Office	5,094
Lincoln Parish Criminal Court Fund	21,917
Union Parish Criminal Court Fund	7,006
State of Louisiana-Judicial Branch	25,953
Title IV-D Reimbursement Grant Monies from the State of LA, DHHR	<u>19,778</u>
TOTAL	\$ <u>90,136</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2010, are as follows:

	<u>Balance</u> <u>01/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/10</u>
<u>Capital Assets at Cost</u>				
Furniture and Equipment	\$ 313,279	\$ 17,689	\$ 0	\$ 330,968
Vehicles	<u>60,524</u>	<u>0</u>	<u>0</u>	<u>60,524</u>
TOTALS	<u>373,803</u>	<u>17,689</u>	<u>0</u>	<u>391,492</u>
<u>Less Accumulated</u>				
<u>Depreciation</u>				
Furniture and Equipment	255,988	16,712	0	272,700
Vehicles	<u>47,194</u>	<u>3,808</u>	<u>0</u>	<u>51,002</u>
TOTALS	<u>303,182</u>	<u>20,520</u>	<u>0</u>	<u>323,702</u>
Net Capital Assets	\$ <u>70,621</u>	\$ <u>(2,831)</u>	\$ <u>0</u>	\$ <u>67,790</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2010, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 88,068	\$ 0
Special Revenue Fund - Title IV-D	0	22,271
Special Revenue Fund - Worthless Check	0	21,432
Special Revenue Fund - TASC	<u>0</u>	<u>44,365</u>
TOTAL	\$ <u>88,068</u>	\$ <u>88,068</u>

NOTE 6 - 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 7 - PENSION PLANS (CONTINUED)

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 an actuarially determined rate. The rate for 2008 through 2010 was 12.75%, 12.25%, and 15.75%, 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, 2008, 2009, and 2010 were \$66,984, \$62,910, and \$82,283, respectively, equal to the required contributions for each year.

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 an actuarially determined rate. The rate for the plan years ended June 30, 2008 through June 30, 2011 was 0%, 0%, 5%, and 9%, respectively, of 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, 2008, 2009, and 2010 were \$0, \$7,442, and \$19,310, respectively, equal to the required contributions for each year.

NOTE 7 - ON-BEHALF PAYMENTS

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

General Fund

Salaries	\$ 376,250
Fringe Benefits	<u>31,568</u>
Total On-Behalf Payments	<u>\$ 407,818</u>

Fringe benefits paid by the State of Louisiana include pension plan contributions to 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, 2010

NOTE 8 - NONCURRENT LIABILITY

The District Attorney's Office was sued for malpractice, and their malpractice insurance carrier successfully defended them. The cost of the defense was \$118,639 in excess of the amount covered by their insurance policy. On October 2, 2009, the District Attorney offered to pay \$6,000 down and \$1,300 per month until this debt was paid. The attorneys that defended this case accepted the offer. In 2010 the District Attorney's Office paid \$15,600 on this debt, which satisfied all amounts due for 2010 according to the agreement that was made. This results in an unpaid balance at December 31, 2010 of \$93,139, of which \$15,600 a year will become due through 2015 and the remaining balance will be paid in 2016.

REQUIRED SUPPLEMENTARY INFORMATION

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
DECEMBER 31, 2010**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Fees	\$ 176,658	\$ 167,443	\$ 172,893	\$ 5,450
Grants and Other Assistance	65,500	90,296	128,878	38,582
Interest Income	295	314	460	146
Intergovernmental	822,130	989,323	948,772	(40,551)
On-Behalf Revenue	410,000	410,000	407,818	(2,182)
Other Income	<u>1,626</u>	<u>2,213</u>	<u>1,325</u>	<u>(888)</u>
TOTAL REVENUES	<u>1,476,209</u>	<u>1,659,589</u>	<u>1,660,146</u>	<u>557</u>
EXPENDITURES				
Capital Outlay	4,975	9,944	13,869	(3,925)
Auto Expense	1,727	39	39	0
Contract Services	34,218	4,328	35,012	(30,684)
Dues and Subscriptions	6,641	5,994	5,944	50
Employee Benefits	140,269	163,383	89,909	73,474
Insurance	27,389	25,499	135,798	(110,299)
LDAA Assessment	10,531	10,531	12,671	(2,140)
Library	31,956	37,907	41,224	(3,317)
Lincoln Parish Police Jury	14,000	14,000	14,000	0
Office Expenses	52,227	52,727	58,966	(6,239)
Other	0	465	0	465
Payroll Taxes	11,786	15,370	19,370	(4,000)
Penalties and Interest	0	0	31	(31)
Professional Fees	15,420	15,000	19,700	(4,700)
Rent	17,790	20,440	22,783	(2,343)
Salaries	978,356	1,026,300	954,656	71,644
Telephone	14,413	14,103	17,591	(3,488)
Training and Seminars	375	575	575	0
Travel and Meals	35,760	23,024	24,410	(1,386)
Trial Expenses	<u>37,179</u>	<u>26,643</u>	<u>27,595</u>	<u>(952)</u>
TOTAL EXPENDITURES	<u>1,435,012</u>	<u>1,466,272</u>	<u>1,494,143</u>	<u>(27,871)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>41,197</u>	<u>193,317</u>	<u>166,003</u>	<u>(27,314)</u>
OTHER FINANCING USES				
Operating Transfers Out	<u>(19,868)</u>	<u>(51,536)</u>	<u>(69,942)</u>	<u>(18,406)</u>
TOTAL OTHER FINANCING USES	<u>(19,868)</u>	<u>(51,536)</u>	<u>(69,942)</u>	<u>(18,406)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	21,329	141,781	96,061	(45,720)
FUND BALANCE - BEGINNING	<u>287,139</u>	<u>287,139</u>	<u>254,648</u>	<u>(32,491)</u>
FUND BALANCE - ENDING	<u>\$ 308,468</u>	<u>\$ 428,920</u>	<u>\$ 350,709</u>	<u>\$ (78,211)</u>

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

**BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Fees	\$ 36,199	\$ 36,982	\$ 38,542	\$ 1,560
Grant	270,492	268,735	251,757	(16,978)
Intergovernmental	142,968	142,968	181,199	38,231
Interest Income	<u>0</u>	<u>302</u>	<u>536</u>	<u>234</u>
TOTAL REVENUES	<u>449,659</u>	<u>448,987</u>	<u>472,034</u>	<u>23,047</u>
EXPENDITURES				
Capital Outlay	0	2,528	3,820	(1,292)
Contract Services	6,420	6,420	7,271	(851)
Dues	0	300	0	300
Employee Benefits	80,402	80,332	37,725	42,607
Insurance	0	0	42,551	(42,551)
Office Expense	16,320	11,661	12,262	(601)
Other	0	0	70	(70)
Payroll Taxes	6,756	4,126	7,165	(3,039)
Professional Fees	36,000	59,067	63,229	(4,162)
Rent	7,688	4,813	4,426	387
Salaries	313,848	321,084	335,581	(14,497)
Telephone	0	6,217	4,225	1,992
Travel	<u>2,093</u>	<u>3,975</u>	<u>2,447</u>	<u>1,528</u>
TOTAL EXPENDITURES	<u>469,527</u>	<u>500,523</u>	<u>520,772</u>	<u>(20,249)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,868)	(51,536)	(48,738)	2,798
OTHER FINANCING SOURCES				
Operating Transfers In	<u>19,868</u>	<u>51,536</u>	<u>69,942</u>	<u>18,406</u>
TOTAL OTHER FINANCING SOURCES	<u>19,868</u>	<u>51,536</u>	<u>69,942</u>	<u>18,406</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	0	0	21,204	21,204
FUND BALANCE-BEGINNING	<u>46,522</u>	<u>46,522</u>	<u>56,400</u>	<u>9,878</u>
FUND BALANCE-ENDING	<u>\$ 46,522</u>	<u>\$ 46,522</u>	<u>\$ 77,604</u>	<u>\$ 31,082</u>

OTHER REPORTS AND SCHEDULES

DON M. MCGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 financial statements of the governmental activities and the aggregate remaining fund information 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, 2010, which collectively comprise the District Attorney's basic financial statements and have issued my report thereon dated June 30, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District Attorney's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did identify a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as #2010-1, that I consider to be a material weakness, as described above. I did not identify any deficiencies in internal control over financial reporting that I consider to be significant deficiencies in internal control over financial reporting. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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 grant agreements, 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 or other matters that is required to be reported under Government Auditing Standards.

The District Attorney's responses to the findings identified in my audit are described in the accompanying schedule of management's corrective action plan. I did not audit the District Attorney's responses and, accordingly, I express no opinion on it.

This report is intended solely for the information of the management of the District Attorney's Office, federal awarding agencies and pass-through entities, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Don M. McGehee
Certified Public Accountant
June 30, 2011

**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, 2010**

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 2010, and have issued my report thereon dated June 30, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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, 2010 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards:

Section 1 Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section 2 Financial Statement Findings

Finding 2010-1. 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.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS

STATUS

2009-1. 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 Finding 2010-1.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2010**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

FINDINGS

2010-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

RESPONSE

The District Attorney's Office has an accounting workload that can be easily managed by two employees. The hiring of additional employees to provide enhanced internal control does not appear to be the best use of resources.