



THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana

TABLE OF CONTENTS

	PAGE
Compilation Report	1
Balance Sheet	2
Statement of Revenues, Expenditures, and Changes in Fund Balance	3
Notes to the Financial Statements	4 - 6
Independent Accountant's Report on Applying Agreed - Upon Procedures	7 - 9

**WILLIAM D. EDWARDS**

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of CPAs

Third Judicial District  
Indigent Defender Board  
Parishes of Lincoln and Union, Louisiana

I have compiled the accompanying general purpose financial statements of the Third Judicial District Indigent Defender Board as of December 31, 1996, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Harvee, Louisiana  
June 24, 1997

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
Year Ended December 31, 1996**

**Balance Sheet**

ASSETS	General	
Cash	\$ 200,188	
Accounts Receivable - Other Government Units	21,508	
<b>TOTAL ASSETS</b>	<b>\$ 221,756</b>	<b>*****</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,865	
<b>TOTAL LIABILITIES</b>		<b>1,865</b>
<b>FUND EQUITY</b>		
Fund Balance - Unreserved/Undesignated	219,891	
<b>TOTAL FUND EQUITY</b>		<b>219,891</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 221,756</b>	<b>*****</b>

The accompanying notes are an integral part of this statement.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana**

**Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended December 31, 1996**

**REVENUE**

Court costs on fees and forfeitures	\$ 218,154	
Use of money and property - interest earnings	3,459	
Total Revenues	<u>221,613</u>	\$ 242,613

**EXPENDITURES**

General government		
Compensation - Chief Indigent Defender	\$ 108,000	
Attorney fees	15,168	
Accounting services	3,081	
Office supplies and expense	20	
Legal Expenses	250	
Total Expenditures		129,529

**EXCESS OF EXPENDITURES OVER REVENUES** 117,182

**FUND BALANCE AT BEGINNING OF YEAR** 302,708

**FUND BALANCE AT END OF YEAR** \$ 218,881

The accompanying notes are an integral part of this statement.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana**

**Notes to the Financial Statements  
Year Ended December 31, 1996**

**INTRODUCTION**

The Third Judicial District Indigent Defender Board, established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (poorly individuals) in criminal and quasi-criminal cases at the district court level. The judicial district encompasses the parishes of Lincoln and Union, Louisiana. The board is composed of three members who are appointed by the district court. The board members serve without compensation. Revenues to finance the board's operations are provided primarily from court costs or fees imposed by the various courts within the district. The board has no employees; however, it has a contract with its chief indigent defender to provide legal services to indigents.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Third Judicial District Indigent Defender Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the indigent defender board is a part of the district court system of the State of Louisiana. However, the state statutes that create the boards also give each of the boards control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The indigent defender board is financially independent and operates autonomously from the State of Louisiana and independently for the district court system. Therefore, the board reports as an independent reporting entity, and the financial statements include only the transactions of the Third Judicial District Indigent Defender Board.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana**

**Notes to the Financial Statements (Continued)  
Year Ended December 31, 1996**

**C. FUND ACCOUNTING**

The board uses a fund (General Fund) to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The fund of the board is classified as a governmental fund (General Fund), which accounts for the board's general activities.

**B. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement projects increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

**Revenues**

Court costs on fines and forfeitures are recorded in the year they are collected by the appropriate courts.

Fees from indigents are recorded when received.

Interest income is recorded in the year in which it is earned.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana**

**Notes to the Financial Statements (Continued)  
Year Ended December 31, 1996**

**E. BUDGET PRACTICES**

Management has determined that, because of the nature and amount of expenditures, adoption of a budget is not required for control purposes. Accordingly, the board did not adopt a budget for the year ended December 31, 1996. Therefore, the accompanying financial statements do not include a budget comparison.

**F. CASH**

Cash includes amounts in demand deposits maintained by the indigent defender board. Under state law, the indigent defender board may deposit fund 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.

**2. CASH**

At December 31, 1996, the board has cash totaling \$ 200,388, in demand deposits. 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 the amount on deposit with the fiscal agent bank. The board has deposit balances (collected bank balances) of \$392,279, at December 31, 1996, which are fully insured by Federal Deposit Insurance (GLASD Risk Category 1).

**3. LITIGATION AND CLAIMS**

There is no litigation pending against the indigent defender board at December 31, 1996.



## WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Organization  
Member: AICPA / Society of CPAs

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of the Third Judicial District Indigent Defender Board

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Third Judicial District Indigent Defender Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the board's compliance with certain laws and regulations during the year ended June 30, 1995 included in the accompanying Louisiana Attention (Guarantee) Note. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified user of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$5,000 and no expenditure was made for public works exceeding \$50,000. I examined cash disbursement records which indicated no purchases which would require public bidding requirements.

#### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1105-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided me with the required data including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required information, which shows there are no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

There are no employees.

#### ***Budgeting***

5. Obtain a copy of the legally adopted budget and all amendments.

The Board did not adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

As noted in 5 above, there is no budget for the fiscal year ended December 31, 1996.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenue or expenditures exceed budgeted amounts by more than 5%.

As noted in 5 above, there is no budget for the fiscal year ended December 31, 1996.

#### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and:  
(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found the following:

All six checks were traced to supporting documentation.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

All six checks were coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All six checks received approval from proper authorities.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Third Judicial District Indigent Defenders Board is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

#### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

None of the deposits were proceeds from bank loans, bonds, or like indebtedness.

#### Advances and Benefits

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

There are no employees.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Third Judicial District Indigent Defender Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
Baton Rouge, Louisiana  
June 24, 1997