

SECOND JUDICIAL DISTRICT INDEPENDENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAYBORNE AND JACKSON, LOUISIANA
Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUND TYPES

Governmental funds account for an agency's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fund assets. The Governmental fund of the Indigent Defender Board is a

General Fund

The general operating fund which accounts for all financial resources, except those required to be accounted for in other funds. All resources of the Second Judicial District Indigent Defender Board are accounted for in the General Fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. Governmental funds use the following practices in recording revenues and expenditures:

Revenues - Court costs or fines and forfeitures, imposed by the district and city courts, are recorded in the year they are collected by the courts. Substantially all other revenues are recorded when received.

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

E. BUDGETARY PRACTICES

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The board must meet and approve all budget changes or encumbrances. At year end all appropriations lapse. Budget amounts are as originally adopted.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Indigent Defender Board.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. Under state law, the Board 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Second Judicial District Indigent Defender Board. However, this report is a matter of public record and its distribution is not limited.


Kenneth B. Finken & Co.
Certified Public Accountants

Bassboro, Louisiana
April 10, 1997

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
Notes to the Financial Statements (Continued)

6. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1996, the Second Judicial District Indigent Defender Board had no investments.

1. CASH

At December 31, 1996, the Indigent Defender Board had cash (book balances) totaling \$135,827 as follows:

Interest-bearing demand deposits	98,827
Time deposits	<u>37,000</u>
Total	<u>\$135,827</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the referring 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties. At December 31, 1996, the Second Judicial District Indigent Defender Board has \$177,438 in deposits-pledged bank balances, in two financial institutions. These deposits are secured from risk by \$157,688 of federal deposit insurance.

2. RECEIVABLES

The following is a summary of receivables at December 31, 1996:

Class of Receivable	
Court costs on fines and forfeitures	<u>\$3,457</u>
Total	<u>\$3,457</u>

4. FIXED ASSETS AND LONG TERM OBLIGATIONS

There are no fixed assets or long-term obligations at December 31, 1996.

5. PENSION PLAN AND VACATION AND SICK LEAVE POLICIES

There are no employees of the Second Judicial District Indigent Defender Board. Therefore, the Board does not contribute to a pension plan and does not have formal vacation and sick leave policies.

6. LITIGATION

There is one suit pending against the Board at this time. A former creditor of the Board has filed suit for collection of a past accounts payable in the amount of \$1,500. The Board feels that the time for filing suit has prescribed and therefore this payable is not legally collectible. The Board is awaiting legal determination on the issue of prescription which will be its authority to remove this accounts payable from the financial statements of the Board. An exception of prescription is pending in the lawsuit which has been filed.

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIRBORNE AND JACKSON, LOUISIANA**

*Notes to the Financial Statements
As of and for the Year Ended December 31, 1996*

INTRODUCTION

The Second Judicial District Indigent Defender Board is established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parishes of Bienville, Clairborne and Jackson, Louisiana. The board at present has five members who serve without compensation. Each bar association from the representative parishes nominates members for election to the board. The judges of the District then appoint board members from the nominations. The board has no employees, but does retain an attorney to act as chief indigent defender to administer the operations of the board. This attorney is paid a monthly retainer and is accountable to the board. The board has no employees; all legal services are on a contract basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Second 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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criteria for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformity with GASB Statement No. 14, the Second Judicial District Indigent Defender Board includes all funds, account groups, or centers that are within the oversight responsibility of the Indigent Defender Board. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on the considerations of the foregoing criteria, the Second Judicial District Indigent Defender Board is deemed to be a separate reporting entity. Certain units of local government over which the Indigent Defender Board exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Indigent Defender Board.

C. FUND ACCOUNTING

The Indigent Defender Board uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by aggregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The sole fund of the Indigent Defender Board is classified as a governmental fund. A description of governmental funds and the fund type utilized by the Indigent Defender Board follows.

Kenneth D. Follen & Co.

Certified Public Accountants

Kenneth D. Follen, CPA

Ted W. Swartzler, CPA

Members
Society of Louisiana
Certified Public Accountants

140 Eighth Street
Jonestown, LA 71343
(504) 237-7204
FAX (504) 235-1115

Members
American Institute of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Second Judicial
District Indigent Defender Board
Jonestown, Louisiana

We have audited the general purpose financial statements of the Second Judicial District Indigent Defender Board of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 11, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Second Judicial District Indigent Defender Board of Louisiana is the responsibility of the Second Judicial District Indigent Defender Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Second Judicial District Indigent Defender Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Second Judicial District Indigent Defender Board. However, this report is a matter of public record and its distribution is not limited.



Kenneth D. Follen & Co.
Certified Public Accountants

Jonestown, Louisiana
April 11, 1997

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 PARISHES OF BIENVILLE, CLAIRBORNE AND JACKSON, LOUISIANA

ALL FUND TYPES AND ACCOUNT GROUPS
 Balance Sheet, December 31, 1996

GOVERNMENTAL
 FUND TYPE -
 GENERAL FUND

ASSETS	
Cash	\$138,817
Receivable	<u>1,467</u>
TOTAL ASSETS	<u>\$140,284</u>
LIABILITIES AND FUND EQUITY	
Liabilities	
Accounts payable	<u>37,080</u>
Total liabilities	<u>37,080</u>
Fund equity:	
Fund balance - unreserved - undesignated	<u>103,204</u>
Total fund equity	<u>103,204</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$140,284</u>

The accompanying notes are an integral part of this statement.

Members
Society of Certified
Certified Public Accountants

381 Maple Street
Jenoubo, LA 70501
(504) 227-7410
FAX (504) 227-7415

Members
American Institute of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of the Second Judicial
District Indigent Defender Board
Jenoubo, Louisiana

We have audited the accompanying general purpose financial statements of the Second Judicial District Indigent Defender Board, parishes of Bienville, Calcasieu, and Jackson Louisiana, as of and for the year ended December 31, 1996. These general purpose financial statements are the responsibility of the Second Judicial District Indigent Defender Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Second Judicial District Indigent Defender Board of Louisiana as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Kenneth D. Falden & Co.
Kenneth D. Falden & Co.
Certified Public Accountants

Jenoubo, Louisiana
April 15, 1997

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIRBORNE AND JACKSON, LOUISIANA

General Purpose Financial Statements
As of and For the Year Ended December 31, 1996

CONTENTS

	Statement	Page
	-----	-----
INDEPENDENT AUDITORS' REPORT		1
GENERAL PURPOSE FINANCIAL STATEMENTS		
Balance Sheet - All Fund Types and Account Groups	A	2
Governmental Fund - General Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B	3
Notes to financial statements		4-6
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		7-8
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		9

Statement B

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND**

Statement of Revenues, Expenditures, And
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1996

	BUDGET	ACTUAL	VARIANCE PAYABLE (USE/AVAILABLE)
REVENUES			
Court costs on fees and forfeitures	\$148,180	\$175,781	\$27,591
State grant	60,000	37,041	(22,959)
Fees from indigents		750	750
Appearance bond rebates	10,000	5,954	(4,046)
Interest income	1,500	4,361	3,181
Miscellaneous	10,000	827	(9,173)
Total revenues	<u>230,180</u>	<u>235,695</u>	<u>5,515</u>
EXPENDITURES			
Association dues	500	500	0
Contracted legal services	165,000	177,833	5,067
Professional services	24,000	4,373	(19,627)
Seminars	3,000	2,814	676
Travel	430	100	275
Office	10,000	2,100	7,900
Miscellaneous	100	100	0
Capital outlay	30,000	0	30,000
Total expenditures	<u>230,030</u>	<u>260,215</u>	<u>31,185</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,794)</u>	<u>68,521</u>	<u>62,147</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>71,431</u>	<u>71,431</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$69,637</u>	<u>139,952</u>	<u>302,147</u>

The accompanying notes are an integral part of this statement.

Kenneth B. Folds & Co.,
Certified Public Accountants

Kenneth B. Folds, CPA

Tim W. Sandelin, CPA

Members
Society of Louisiana
Certified Public Accountants

801 Eighth Street
Bossieres, LA 71024
(504) 299-7314
FAX (504) 299-7385

Members
American Institute of
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of the Second Judicial
District Indigent Defender Board
Bossieres, Louisiana

We have audited the general purpose financial statements of the Second Judicial District Indigent Defender Board of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 11, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Second Judicial District Indigent Defender Board of Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonably, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Second Judicial District Indigent Defender Board of Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.