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**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 JUN 30 1999

Office of the Legislative Auditor  
Baton Rouge, Louisiana  
Release Date

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISH OF LINCOLN AND UNION, LOUISIANA**

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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, 1998, 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.



Ruston, Louisiana  
June 3, 1999

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
BALANCE SHEET  
Year Ended December 31, 1998**

<b>ASSETS</b>	
Cash	\$267,271
Accounts receivable	<u>12,169</u>
<b>TOTAL ASSETS</b>	<u><u>\$279,440</u></u>
<b>LIABILITIES AND FUND EQUITY</b>	
Liabilities	
Accounts payable	\$2,123
<b>FUND EQUITY</b>	
Fund balance-Unreserved-Undesignated	<u>277,317</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$279,440</u></u>

The accompanying notes are in 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, 1998**

<b>REVENUE</b>	
Court costs on fines and forfeitures	\$259,892
Use of money and property - interest earnings	<u>9,863</u>
<b>TOTAL REVENUES</b>	<b>269,755</b>
<b>EXPENDITURES</b>	
General government:	
Compensation - Chief Indigent Defender	149,800
Attorney fees	41,191
Accounting services	7,085
Books and publications	880
Insurance	500
Office supplies and expense	21,836
Equipment rent	6,780
Other expenses	<u>7,484</u>
<b>TOTAL EXPENDITURES</b>	<b><u>235,556</u></b>
<b>EXCESS (Deficiency) of Revenues over Expenditures</b>	<b>34,199</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b><u>243,118</u></b>
<b>FUND BALANCE AT END OF YEAR</b>	<b><u><u>\$277,317</u></u></b>

The accompanying notes are in integral part of this statement.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
Year Ended December 31, 1998**

**INTRODUCTION**

The Third Judicial District Indigent Defender Board, established in compliance with Louisiana Revised Statutes 15:144-149, provides council to represent indigents (needy 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 five 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 on fines 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  
Year Ended December 31, 1998**

**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.

**D. 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 presents 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.

**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, 1998. Therefore, the accompanying financial statements do not include a budget comparison.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
Notes to the Financial Statements  
Year Ended December 31, 1998**

**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 principle offices in Louisiana.

**2. CASH**

At December 31, 1998, the board has cash totaling \$137,659 and \$129,612, in demand and time deposits, respectively. 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 \$268,926, at December 31, 1998, which are not fully insured by federal deposit insurance (GASB Risk Category 1). For the year ended December 31, 1998, the Board had funds deposited into a bank in excess of \$100,000 FDIC insurance coverage. The Board is at risk for that excess.

**3. LITIGATION AND CLAIMS**

There is no litigation pending against the indigent defender board at December 31, 1998.

**4. YEAR 2000 COMPUTER SYSTEMS COMPLIANCE**

The Third Judicial District Indigent Defender Board has reviewed the software systems and related applications used to assess its requirements regarding the "Year 2000 Issue" which, if unresolved, could have a significant impact on the Board's operations. The Board has made and will continue to make the expenditures necessary to ensure that its software systems and applications continue to function properly before, during, and after the year 2000. These expenditures, which are expensed as incurred, have not been and are not expected to be material to the Board's financial position or results of operations.



**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

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

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

Ms. Deanna D. McCallum, President  
and Board of Directors  
Third Judicial District Indigent Defender Board  
P.O. Box 595  
Ruston, Louisiana 71273-0595

I have performed the procedures included in the Louisiana Governmental 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 Third Judicial District Indigent Defender Board's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation Questionnaire. 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 users 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000. There were no expenditures made during the year for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the president and each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the president, each board member, and employees, as well as their immediate families.

I determined the above information was not needed. See #3 and #4 below for explanation.

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

Management had no employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

There were no employees during the period under examination. This step not applicable.

#### Budgeting

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

Management did not legally adopt a budget.

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

Management did not legally adopt a budget.

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

No budget was adopted to compare to actual revenues and expenditures.

#### Accounting and Reporting

8. Randomly select six 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 all six disbursements and found that payment was for the proper amount and made to the correct payee.

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from a board member.

#### 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 - 12 (the open meetings law).

The Third Judicial District Indigent Defender Board is only required to post a notice of each meeting and the accompanying agenda on the door of the Indigent Defender Board's meeting place. 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 notice and agenda for one meeting.

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.

I inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

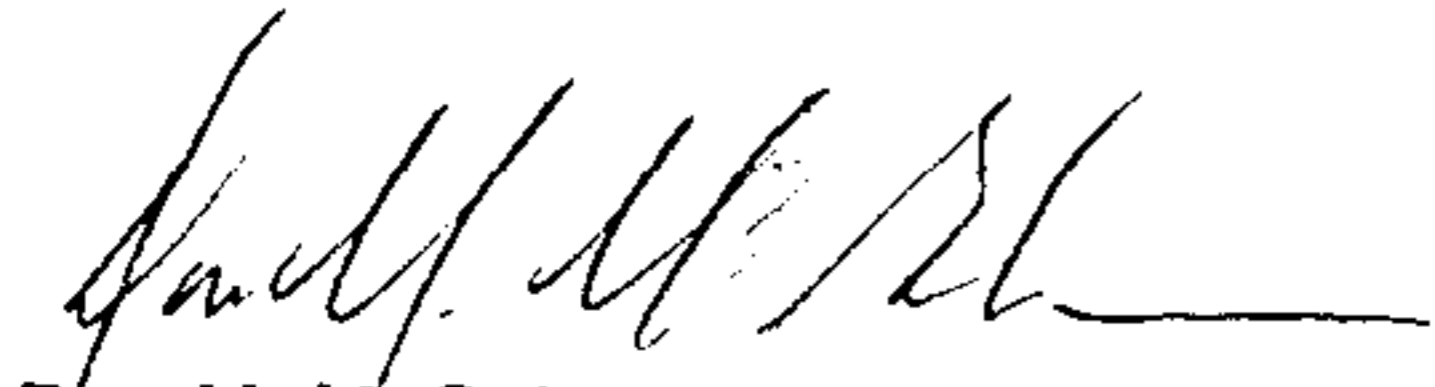
Advances and Bonuses

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

The Indigent Defender Board does not have any 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.



Don M. McGehee  
Certified Public Accountant  
April 30, 1999

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**SECTION I COMPLIANCE WITH CERTAIN LAWS AND REGULATIONS**

**FINDINGS**

**MANAGEMENT'S RESPONSES**

**1998-1** Management did not adopt a budget.

The Indigent Defender Board is not required by state law to adopt a budget.

**1998-2** No evidence to support assertion that agendas for meetings were properly posted. Recommend a copy of the meeting notice and accompanying notice be maintained in the minute book.

The Chief Indigent Defender, Lewis Jones, will maintain a copy of the meeting notice and accompanying agenda for each meeting in the minute book beginning in July, 1999.

**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**SECTION I COMPLIANCE WITH CERTAIN LAWS AND REGULATIONS**

**FINDINGS**

**CURRENT YEAR STATUS**

**1997-1** Management did not adopt a budget.      Resolved - See 1998-1.

Third Judicial District Indigent Defender Board  
LOUISIANA ATTESTATION QUESTIONNAIRE

March 1999 Date

Don McGehee CPA  
306 N. Trenton  
Buston La 71270

(Auditors)

In connection with your compilation of our financial statements as of 12/31/98 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 03/30/99 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes  No

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

It is true that no employees or officials have accepted anything of value, whether in the form of service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39-43.

Yes  No

## LOUISIANA ATTESTATION QUESTIONNAIRE

### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [] No []

### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



LOUISIANA ATTESTATION QUESTIONNAIRE

William A. Jones Secretary April 30, 1999 Date  
\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date  
James D. McCall President 4/14/99 Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.