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**THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD**

**AGREED-UPON PROCEDURES**

DECEMBER 31, 2003

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 9-1-04

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

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**DECEMBER 31, 2003**

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**McGEHEE AND KEEN, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

P.O. Box 1344  
806 North Trenton  
Ruston, Louisiana 71273-1344

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

Mr. Michael S. Coyle, President  
and Board of Directors  
Third Judicial District Indigent Defender Board  
P.O. Box 595  
Ruston, Louisiana 71273-0595

We 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, 2003 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 and standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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.*

We 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 provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held on December 17, 2002, which indicated that the budget had been adopted by the board members by a vote of six in favor and none opposed.

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.

We compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not vary unfavorably from budgeted amounts by more than 5%.

#### 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;

We examined supporting documentation for the 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 either the chief indigent defender or the president of the Board of Directors.

#### 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. Management asserted that such documents were properly posted and provided copies of the required notices and agendas posted along with a log indicating the date, time, location, and signature of the person that posted 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.

We 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.

Our prior year report, dated June 14, 2002, did not include any comments or unresolved matters.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



McGehee and Keen, LLC  
Certified Public Accountants  
June 28, 2004

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

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

	<b>FINDINGS</b>	<b>MANAGEMENT'S RESPONSES</b>
	No findings.	

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

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

<b>FINDINGS</b>	<b>CURRENT YEAR STATUS</b>
No findings.	

LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)

June 24, 2004 (Date Transmitted)

McGehee and Keen, L.L.C.  
P.O. Box 1344  
Ruston, LA 71273-1344  
\_\_\_\_\_  
(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year 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 (date of completion/representations).

**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 a 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 39:34.  
Yes [] No [ ]

**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 44:36.  
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, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.  
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.

*Harold Aswell* Secretary <sup>*treasurer*</sup> June 22, 2004 Date  
*Michael S. G...* Treasurer \_\_\_\_\_ Date  
*Michael S. G...* President 6-24-04 Date

Third Judicial District  
Indigent Defender Board  
General Purpose Financial Statements  
For the Year Ended December 31, 2003

Third Judicial District  
Indigent Defender Board

General Purpose Financial Statements  
For the Year Ended December 31, 2003

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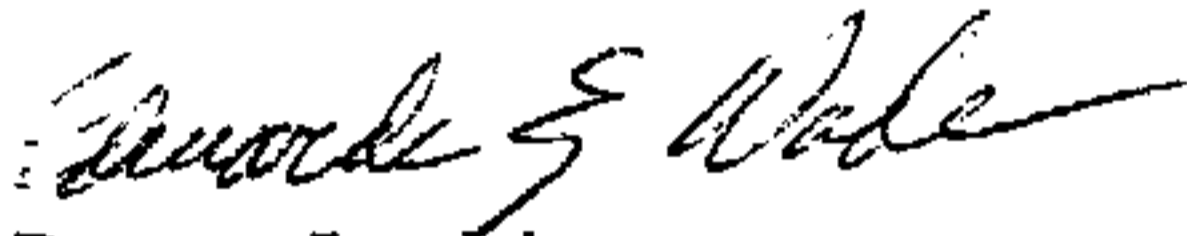
# EDWARDS & WADE

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA / Society of LCPA's

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, 2003, 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  
February 10, 2004

THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Balance Sheet - General Fund  
As of December 31, 2003

<b>ASSETS</b>	
Cash and equivalents	\$97,842
Accounts receivable	<u>24,751</u>
<b>TOTAL ASSETS</b>	<u><u>\$122,593</u></u>
<b>Liabilities and Fund Balance</b>	
Liabilities - accounts payable	\$4,587
Fund balance - unreserved - undesignated	<u>118,006</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$122,593</u></u>

See accompanying notes and accountant's compilation report.

THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Combined Statement of Revenue, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
GAAP Basis - General Fund  
For the year ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Bond forfeiture funds	\$16,000	\$13,507	(\$2,493)
Interest income	4,000	2,094	(1,906)
LA Indigent Board	8,000	29,193	21,193
Lincoln Parish	88,000	101,515	13,515
Other income	2,500	450	(2,050)
Probation Office	8,500	8,888	388
Ruston City Marshall	53,900	47,455	(6,445)
Union Parish	42,460	46,976	4,516
<b>TOTAL REVENUES</b>	<u>223,360</u>	<u>250,078</u>	<u>26,718</u>
<b>EXPENDITURES</b>			
Accounting	6,500	5,612	888
Attorney fees (Non CID)	25,000	25,824	(824)
Chief Indigent Defender Administrator	61,304	61,304	0
Insurance expense	10,500	10,500	0
Other expense	1,100	572	528
Postage expense	600	3,072	(2,472)
Rent expense	100	14	86
Court reporter	6,400	5,726	674
Attorney contracts	7,500	3,308	4,192
Travel	107,346	107,346	0
Office supplies	1,200	3,554	(2,354)
Expert witness	35,600	35,600	0
<b>TOTAL EXPENDITURES</b>	<u>268,150</u>	<u>262,432</u>	<u>5,718</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(44,790)	(12,354)	32,436
<b>FUND BALANCE, BEGINNING</b>	<u>130,360</u>	<u>130,360</u>	<u>0</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$85,570</u></u>	<u><u>\$118,006</u></u>	<u><u>\$32,436</u></u>

See accompanying notes and accountant's compilation report.

Third Judicial District  
Indigent Defender Board  
Notes to the Financial Statements  
For the Year Ended December 31, 2003

## 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 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.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying general purpose 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

The indigent defender board is part of the operations of the district court system. However, the district court system is fiscally dependent on the Lincoln Parish Police Jury for office space and courtrooms. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the indigent defender board. For these reasons, the indigent defender board was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the indigent defender board and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

#### C. FUND ACCOUNTING

The board uses funds and account groups 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 segregating transactions relating to certain government functions or activities.

THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
For the year ended December 31, 2003

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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 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. BUDGETS

The Board adopted a budget for the year ended December 31, 2003 for the General fund. The Board follows the following procedures in establishing the budgetary data reflected in the financial statements. During the November meeting, the chief indigent defender submits to the board members a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. During the December meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The chief indigent defender is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board members. Appropriations lapse at the end of the year. There were no amendments to the original budget.



THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
For the year ended December 31, 2003

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. COMPENSATED ABSENCES

The Board does not have any employees or compensated absences at year end.

H. TOTAL COLUMNS ON STATEMENTS

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

2. CASH AND CASH EQUIVALENTS

At December 31, 2003, the board has cash and cash equivalents (book balances) totaling \$97,842 as follows:

Demand deposits	\$16,812
Time deposits	<u>81,030</u>
Total	<u><u>\$97,842</u></u>

These deposits are stated at cost, which approximates market. 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. These 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. At December 31, 2003, the district has \$101,069 in deposits (collected bank balances). These deposits are secured from risk by \$101,069 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the board that the fiscal agent has failed to pay deposited funds upon demand.

THIRD JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
Parishes of Lincoln and Union, Louisiana  
For the year ended December 31, 2003

3. RECEIVABLES

The receivables as of December 31, 2003 are court costs.

4. LEASES

The Board has no operating leases at year end.

5. RISK MANAGEMENT

The Board has no employees and does not have any obligations that would require participation in a risk management program.

6. ON-BEHALF PAYMENTS FOR FRINGE  
BENEFITS AND SALARIES

The Board has no employees; therefore, no on-behalf payments for fringe benefits and salaries at year end.