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**ELEVENTH JUDICIAL DISTRICT INDIGENT
DEFENDER BOARD**
Mansfield, Louisiana

**GENERAL-PURPOSE FINANCIAL STATEMENTS WITH
ACCOUNTANT'S COMPILATION REPORT AND AGREED-UPON
PROCEDURES REPORT**
As of and for the year ended
December 31, 2003



Deborah D. Dees, MBA, CPA
122 Jefferson Street
Mansfield, Louisiana 71052
318-872-3007

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

**ELEVENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA**

General Purpose Financial Statements
As of and for the Year Ended December 31, 2003

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Deborah D. Dees, MBA, CPA



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CERTIFIED PUBLIC ACCOUNTANT

Accountant's Compilation Report

Board of Directors
Eleventh Judicial District Indigent Defender Board
Mansfield, Louisiana

I have compiled the accompanying general-purpose financial statements of the 11th Judicial District Indigent Defender Board as of and for the year ended December 31, 2003, as required by Louisiana Revised Statute 24:513. The general-purpose financial statements are compiled in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued 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 form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated March 31, 2004, on the results of our agreed-upon procedures.

Deborah D. Dees, CPA

Certified Public Accountant
Mansfield, Louisiana

March 31, 2004

11TH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA
 ALL FUND TYPES AND ACCOUNT GROUPS
 Combined Balance Sheet-December 31, 2003

	GOVERNMENTAL FUNDS	ACCOUNT GROUP	
	GENERAL FUND	GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS			
Cash and cash equivalents	\$ 166,074	\$	\$ 166,074
Restitution receivable, net allowance	2,615		2,615
General fixed assets		3,500	3,500
TOTAL ASSETS AND OTHER DEBITS	\$ 168,689	\$ 3,500	\$ 172,189
LIABILITIES AND FUND EQUITY			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
Fund Equity			
Investment in general fixed assets		3,500	3,500
Fund balance-unreserved	168,689		168,689
TOTAL FUND EQUITY	168,689	3,500	172,189
TOTAL LIABILITIES AND FUND EQUITY	\$ 168,689	\$ 3,500	\$ 172,189

The accompanying notes are an integral part of this statement.

11TH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP) and Actual
For the Year Ended December 31, 2003

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Fees, forfeitures, and court costs	\$ 223,700	\$ 276,382	\$ 52,682
Probation and related fees	5,000		(5,000)
Indigent defense assistance	5,500		(5,500)
Interest	250	95	(155)
TOTAL REVENUES	<u>234,450</u>	<u>276,477</u>	<u>42,027</u>
EXPENDITURES			
General government -- judicial			
Personnel service	230,000	252,127	(22,127)
Other general expenses	4,450	2,048	2,402
TOTAL EXPENDITURES	<u>234,450</u>	<u>254,175</u>	<u>(19,725)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>22,302</u>	<u>22,302</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>146,387</u>	<u>146,387</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 146,387</u>	<u>\$ 168,689</u>	<u>\$ 22,302</u>

The accompanying notes are an integral part of this statement.

**11th JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

INTRODUCTION

The Eleventh Judicial District Indigent Defender Board was established in compliance with Louisiana Revised Statutes 12:144-149 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 DeSoto and Sabine, Louisiana. The Board members are composed of three members appointed by the District Court. The Board members serve without compensation. The Board of Directors exercises all administrative functions with respect to the operation and management of the Indigent Defender Board

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the 11th 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the 11th Judicial District Court for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the 11th Judicial Court to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Indigent Defender Board.
2. Organizations for which the Indigent Defender Board does not appoint a voting majority but are fiscally dependent on the Indigent Defender Board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Based on the previous criteria, the Indigent Defender Board is a component of the Eleventh Judicial District Court. The accompanying financial statements present information only on the fund and account group maintained by the Indigent Defender Board and do not present information of the Eleventh Judicial District Court, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

11th JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

C. FUND ACCOUNTING

The 11th Judicial District Indigent Defender 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.

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. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds of the Indigent Defender are classified as governmental funds. The governmental fund of the Indigent Defender Board includes:

General Fund

The General Fund, as provided by Louisiana Revised Statute (R.S.) 33:1422, is the principal fund of the 11th Judicial District Indigent Defender Board and accounts for all financial resources.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of current financial resources measurement focus. The accompanying *general purpose financial statements have been prepared on the modified accrual basis of accounting.*

The Indigent Defender Board uses the following practices in recording revenues and expenditures:

Revenues

Substantially all other revenues are recorded when they are received by the Indigent Defender Board.

Interest income on time deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, all revenues received by the Indigent Defender Board have been treated as susceptible to accrual.

Expenditures

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

**11th JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

E. BUDGET PRACTICES

The Chairman of the Board directs the preparation of a proposed budget and submits same to the Board of Directors. Annually the Indigent Defender Board adopts a budget for the General Fund on the modified accrual basis of accounting. Amounts are available for expenditures only to the extent included within the budget. Budgetary amendments require the approval of the Board of Directors. Beginning and ending fund balances are not budgeted. All appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the Indigent Defender 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. The fund 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.

As December 31, 2003, the Indigent Defender Board has cash (book balances) totaling \$166,074, as follows:

Demand deposits	\$ 152,964
Time deposits	<u>13,110</u>
Total	<u>\$ 166,074</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. At December 31, 2003, the Indigent Defender Board had \$173,169 in deposits (collected bank balances). These deposits are secured from risk by \$113,110 of federal deposit insurance. The remaining balance of \$60,059 is secured by the pledge of securities.

G. RESTITUTION RECEIVABLE

In February 2001, a former employee of the Eleventh Judicial district Indigent Defender Board was ordered by the DeSoto Parish Court to repay \$47,656 of stolen funds. The Court ordered the defendant to pay \$300 per month restitution and to submit monthly reports to a probation officer, giving monthly gross income. The probation officer is to report to the Court any increase of income. Collection is not expected to exceed ten percent. In 2003 there were no additional payments made and the net collectible balance is \$2,615.

**11th JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANSFIELD, LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. There were no additions or disposals of fixed assets during the year 2003.

I. COMPENSATED ABSENCES

The Indigent Defender Board contracts for all services, and, therefore, has no employees. As such, the Indigent Defender Board is not required to adopt a formal vacation and leave policy.

J. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. No such related party transactions were noted.

K. RISK MANAGEMENT

The Board is exposed to various risks of loss related to limited torts, theft of or damage to and destruction of asset and errors and omissions. To handle some of the risk, the Indigent Defender Board maintains surety bond coverage. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2003.

L. LITIGATIONS

There is no litigation pending against the Indigent Defender Board, at December 31, 2003.

M. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned *Memorandum Only* to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

N. 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.

Independent Accountant's Report on Applying Agreed-Upon Procedures

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors
11th Judicial District Indigent Defender Board
Mansfield, LA 71052

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the 11th Judicial District Indigent Defender Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about 11th 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. The sufficiency of the 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 materials 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 in excess of the \$15,000 for materials and supplies, and there were no expenditures over \$100,000 for public works.

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 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The Board provided me with the required list including the noted information.

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

The Board provided me with the required list including the noted information.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

A review of the disbursement journal did not indicate any applicable employees.

Budgeting

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

Management provided me with a copy of the original budget.

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

I traced the adoption of the original budget to the minutes of a meeting held in December 2002, which indicated that the budget had been adopted with no opposition from the board members.

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

I compared the revenues and expenditures of the final budget to actual revenue and expenditures. Actual expenditures for the year did exceed budgeted amounts by more than 5% which is in violation of LSA-RS 39:1311 budgetary authority and control. The expenses were 8% above the budgeted amounts.

Recommendation: The board should apprise themselves of the budget act. The budget should be monitored more closely.

Management corrective action plan: The board will be more cognizant of budget constraints in the future.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. trace payments to supporting documentation as to correct amount and payee;

I examined supporting documentation for each of the six selected 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;

The payments were found to be coded to the correct fund and general ledger accounts.

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

Inspection of documentation supporting each of the selected disbursements indicated approvals from board members.

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 Eleventh Judicial District Indigent Defender Board is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. I could find no evidence supporting or denying such assertion.

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 all deposits for the period under examination and found no indication of new bank loans, bonds or like indebtedness in 2003.

Advances and Bonuses

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.

The Indigent Defender Board has no employees, and in my review of the cash disbursements I noted nothing which appeared to be bonuses, advances, or gifts.

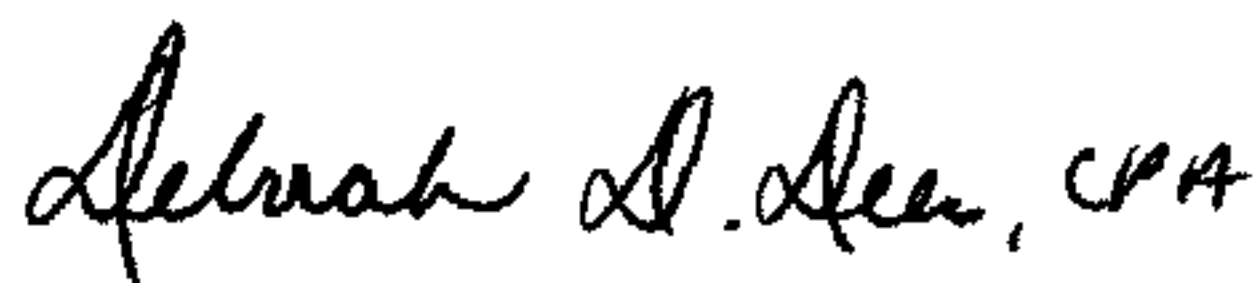
Prior-Year Comments and Recommendations

13. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved. In the agreed-upon procedures engagement for the year ended December 31, 2002, the following were reported:

There was an instance where there were inadequate pledged securities from the bank for amounts over the \$100,000 Federal Reserve security amount. This matter has been resolved.

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 11th 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.



Mansfield, Louisiana
March 31, 2004

Louisiana Attestation Questionnaire

The accompanying Louisiana Attestation Questionnaire has been completed by management and is included in this report as required.

LOUISIANA ATTESTATION QUESTIONNAIRE

JANUARY 1, 2004

Deborah D. Dees, CPA
122 Jefferson Street
Mansfield, LA 71052

In connection with your compilation of our financial statements as of December 31, 2003 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 January 1, 2004.

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 [X] 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 [X] 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 [X] 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.

David R Means, III President 1/15/04 Date