

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND
FOR THE YEAR ENDED 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 11-10-04

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

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

CONTENTS

	Statement	Page
INDEPENDENT AUDITOR'S REPORT		1
GENERAL PURPOSE FINANCIAL STATEMENTS		
Balance Sheet - All Fund Types and Account Group	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		4-7
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS		9

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INDEPENDENT AUDITOR'S REPORT

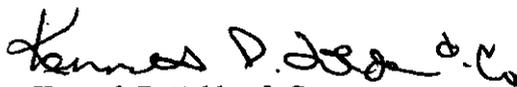
To the Members of the Second Judicial
District Indigent Defender Board
Jonesboro, Louisiana

We have audited the accompanying general purpose financial statements of the Second Judicial District Indigent Defender Board, parishes of Bienville, Claiborne, and Jackson Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 statement 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, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2003, on our consideration of the Second Judicial District Indigent Defender Board of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.



Kenneth D. Folden & Co.
Certified Public Accountants
Jonesboro, Louisiana
September 30, 2004

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

ALL FUND TYPES AND ACCOUNT GROUP

Balance Sheet, December 31, 2003

	ACCOUNT GROUP		TOTAL (MEMORANDUM ONLY)
	GOVERNMENTAL FUND TYPE - GENERAL FUND	GENERAL FIXED ASSETS	
ASSETS			
Cash	\$ 234,116	\$	\$ 234,116
Receivable	8,777		8,777
Equipment		15,630	15,630
TOTAL ASSETS	\$ 242,893	\$ 15,630	\$ 258,523
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts payable	\$ NONE	\$ NONE	\$ NONE
Total liabilities	NONE	NONE	NONE
Equity and other credits			
Investment in general fixed assets		15,630	15,630
Fund balance - unreserved - undesignated	242,893		242,893
Total equity and other credits	242,893	15,630	258,523
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 242,893	\$ 15,630	\$ 258,523

The accompanying notes are an integral part of this statement.

**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, 2003**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Court costs on fines and forfeitures	\$ 189,920	\$ 152,152	\$ 37,768
Fees from indigents	5,200	4,529	671
Appearance bond rebates and bond premium fees	16,000	55,206	(39,206)
Interest revenue	6,700	5,687	1,013
Total revenues	217,820	217,574	246
EXPENDITURES			
Association dues	900	900	
Contracted legal services	258,400	252,131	6,269
Contracted capital defense	96,000	16,611	79,389
Library	5,300	5,305	(5)
Miscellaneous	255		255
Office expense	1,208	605	603
Professional services	43,620	6,330	37,290
Seminars	2,000	550	1,450
Travel	225		225
Total expenditures	407,908	282,432	125,476
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	(190,088)	(64,858)	125,230
FUND BALANCE AT BEGINNING OF YEAR	307,751	307,751	
FUND BALANCE AT END OF YEAR	\$ 117,663	\$ 242,893	\$ 125,230

The accompanying notes are an integral part of this statement.

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

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, Claiborne and Jackson, Louisiana. The board at present has four members who serve without compensation. Each bar association from the representative parishes nominates members for selection to the board. The judges of the District then appoint board members from the nominations. The board retains 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 criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Second Judicial District Indigent Defender Board includes all funds, account groups, et cetera, 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 consideration 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 a fund and an account group 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 financial resources.

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.

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 or construction of general fixed assets and the servicing of general long-term obligations. The Governmental fund of the Indigent Defender Board is the:

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on fines and forfeitures imposed by the district and city courts, and appearance bond premium fees 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 amendments. At year end all appropriations lapse. Budget amounts are as amended. However, budget law requirements are not applicable for Indigent Defender Boards as noted in Laws Affecting Louisiana Government (10/2000) R.S. 39:1302.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. 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.

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, 2003, the Second Judicial District Indigent Defender Board had no investments.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are 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.

I. COMPENSATED ABSENCES

There are no accumulated and vested benefits relating to vacation and sick leave as the Board has no employees.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the governmental fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due. The Indigent Defender Board has no long-term obligations at December 31, 2003.

K. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH

At December 31, 2003, the Indigent Defender Board had cash (book balances) totaling \$234,116 as follows:

Interest-bearing demand deposits	\$	52,302
Time deposits		<u>181,814</u>
Total		<u>\$ 234,116</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the relating 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, 2003, the Second Judicial District Indigent Defender Board has \$234,116 in deposits (collected bank balances), in four financial institutions. These deposits are secured from risk by \$234,116 of federal deposit insurance.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2003:

	Class of Receivable	
Court costs on fines and forfeitures		\$ 8,368
Interest		<u>409</u>
Total		<u>\$ 8,777</u>

4. FIXED ASSETS AND LONG TERM OBLIGATIONS

The changes in general fixed assets follow:

	Balance at January 1, 2003	Additions	Deletions	Balance at December 31, 2003
Equipment	\$ 15,630	\$	\$	\$ 15,630
Total	<u>\$ 15,630</u>	<u>NONE</u>	<u>NONE</u>	<u>\$ 15,630</u>

There are no long-term obligations at December 31, 2003.

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

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

Management has advised us that the Second Judicial District Indigent Defender Board is not a defendant in any litigation at December 31, 2003.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Second Judicial
District Indigent Defender Board
Jonesboro, 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, 2003, and have issued our report thereon dated June 30, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

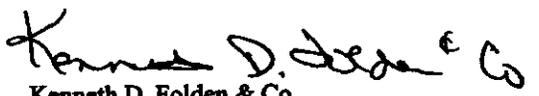
Compliance

As part of obtaining reasonable assurance about whether the Second Judicial District Indigent Defender Board of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Second Judicial District Indigent Defender Board of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Legislative Auditor of the State of Louisiana and the Board and management of the Second Judicial District Indigent Defender Board and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Kenneth D. Folden & Co.
Certified Public Accountants
Jonesboro, Louisiana
September 30, 2004

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED December 31, 2003**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Second Judicial District Indigent Defender Board of Louisiana.
2. No reportable conditions relating to the audit of the financial statements are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instance of noncompliance material to the financial statements of the Second Judicial District Indigent Defender Board of Louisiana was disclosed during the audit.
4. The Second Judicial District Indigent Defender Board of Louisiana had no federal award programs.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Finding:

2003-1 - Louisiana Revised Statutes require that an audit report be submitted within six months after the fiscal year end. The report was due not later than June 30, 2004. This condition was created by the originally engaged auditor being unable to perform the audit within the required time frame.

Recommendation - Since this condition was not directly caused by the Second Judicial District Indigent Defender Board, we have no formal recommendation. However, we would suggest that the Board maintain contact with the auditor, after the books have been submitted for audit, to ensure that the report will be submitted on a timely basis.

There were no findings in the prior year audit.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

The Second Judicial District Indigent Defender Board of Louisiana had no major federal award programs.