

THIRTY-SIXTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
PARISH OF BEAUREGARD  
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
WITH AUDITOR'S REPORT

DECEMBER 31, 2005

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 8-9-06

Table of Contents

	Statement	Page(s)
<b>INDEPENDENT AUDITOR'S REPORT</b>	-	1-2
<b>BASIC FINANCIAL STATEMENTS:</b>		
Statement of Net Assets	A	4
Statement of Activities	B	5
<b>Notes to the Financial Statements</b>	-	7-10
	<b>Schedule</b>	<b>Page(s)</b>
<b>Required Supplemental Information</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	1	12
<b>Other Supplemental Information</b>		
Schedule of Prior Year Audit Findings	2	14
Schedule of Current Year Audit Findings	3	15
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	-	16-17

# John A. Windham, CPA

*A Professional Corporation*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

Thirty-Sixth Judicial District  
Indigent Defender Board  
Parish of Beauregard  
State of Louisiana

I have audited the accompanying financial statements of the governmental activities of the Thirty-Sixth Judicial District Indigent Defender Board, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Thirty-Sixth Judicial District Indigent Defender Board's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Thirty-Sixth Judicial District Indigent Defender Board, as of December 31, 2005, and the changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 18, 2006 on my consideration of the Thirty-Sixth Judicial District Indigent Defender Board's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Thirty-Sixth Judicial District Indigent Defender Board, has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Thirty-Sixth Judicial District  
Indigent Defender Board  
Parish of Beauregard  
State of Louisiana

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Thirty-Sixth Judicial District Indigent Defender Board's basic financial statements. The budgetary comparison schedule, schedule of prior year audit findings, and schedule of current year audit findings are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedule, schedule of prior year audit findings, and schedule of current year audit findings have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*John A. Windham, CPA*

DeRidder, Louisiana  
May 18, 2006

**BASIC FINANCIAL STATEMENTS**

Thirty-Sixth Judicial District  
Indigent Defender Board

Statement A

Statement of Net Assets  
December 31, 2005

	<u>General</u>
<b>ASSETS</b>	
Cash	\$ 147,135
Court costs receivables	24,253
Total assets	<u>\$ 171,388</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Accounts payable	<u>\$ 14,913</u>
<b>Net Assets:</b>	
Unrestricted	<u>\$ 156,475</u>
Total liabilities and net assets	<u>\$ 171,388</u>

The accompanying notes are an integral part of this statement.

Thirty-Sixth Judicial District  
Indigent Defender Board

Statement B

Statement of Activities  
For the Year Ended December 31, 2005

	<u>General Fund</u>
Expenditures	
Judiciary:	
Personal services	\$ 177,100
Travel and professional development	5,276
Operating supplies	3,570
Operating services	8,843
Total Expenditures	<u>\$ 194,789</u>
Program Revenues	
Charges for services	<u>\$ 204,026</u>
General Revenues	
State grants	\$ 10,237
Investment earnings	1,881
Total General Revenues	<u>\$ 12,118</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,355
Net Assets:	
Beginning of the Year	<u>135,120</u>
End of the Year	<u>\$ 156,475</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Thirty-Sixth Judicial District Indigent Defender Board, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2005

**INTRODUCTION**

The Thirty-Sixth Judicial District Indigent Defender Board was 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.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked, or superseded by subsequent GASB pronouncements.

The governing authority of the Thirty-Sixth Judicial District Indigent Defender Board is a Board of Commissioners consisting of three members selected by the District Judge. These board members are not compensated for their service as board members. The Indigent Defender Board has no employees, all services provided are compensated as contract labor.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying basic financial statements of the Thirty-Sixth Judicial District Indigent Defender Board have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

**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 Beauregard 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 Beauregard Parish Police Jury, the financial reporting entity.

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

**C. Fund Accounting**

The Indigent Defender Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the Indigent Defender Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported

Thirty-Sixth Judicial District Indigent Defender Board, Louisiana

Notes to the Financial Statements (Continued)

as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the board. The following are the board's governmental funds:

**General Fund** – the primary operating fund of the Indigent Defender Board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to board policy.

**D. Measurement Focus/Basis of Accounting**

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the board as a whole. These statements include all the financial activities of the Indigent Defender Board. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from board users as a fee for services; program revenues reduce the cost of the function to be financed from the board's general revenues.

**E. Budgets**

The financial administrator prepares the proposed budget and submits this to the board for approval. Amended budgets are prepared in the same manner and submitted to the board for approval when a variance greater than five percent exists between budgeted and actual amounts. The proposed budget for 2005 was made available for inspection on December 14, 2004. The proposed budget, prepared on the modified accrual basis of accounting, and the public hearing, was held at the Thirty-Sixth Judicial District Indigent Defender Board's office on December 14, 2004, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the board.

Expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**F. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Indigent Defender 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. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Thirty-Sixth Judicial District Indigent Defender Board, Louisiana

Notes to the Financial Statements (Continued)

**H. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Indigent Defender Board, which are either unusual in nature or infrequent in occurrence.

**I. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2005, the board has cash and cash equivalents (book balances) totaling \$147,135 as follows:

Interest-bearing demand deposits	\$ 65,796
Certificates of Deposit	<u>81,339</u>
Total	<u>\$ 147,135</u>

The 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, 2005, the Indigent Defender Board has \$155,301 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$55,301 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 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 Indigent Defender Board that the fiscal agent has failed to pay deposited funds upon demand.

**3. RECEIVABLES**

The following is a summary of receivables at December 31, 2005:

Court costs	<u>\$ 24,253</u>
-------------	------------------

**4. PAYABLES**

The following is a summary of payables at December 31, 2005:

Attorney's Fees	\$ 14,583
Supplies	<u>330</u>
Total	<u>\$ 14,913</u>

Thirty-Sixth Judicial District Indigent Defender Board, Louisiana

Notes to the Financial Statements (Concluded)

5. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2005:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 194,200	\$ 194,200	\$ 194,789	\$ (589)

REQUIRED SUPPLEMENTAL INFORMATION

Thirty-Sixth Judicial District  
Indigent Defender Board

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to GAAP differences over(under)	Actual Amount GAAP Basis
	Original	Final			
<b>Revenues</b>					
Charges for services	\$ 202,400	\$ 202,400	\$ 204,026	\$ 1,626	\$ 204,026
Intergovernmental:					
State grants	10,000	10,000	10,237	237	10,237
Investment income	1,800	1,800	1,881	81	1,881
Total revenues	\$ 214,200	\$ 214,200	\$ 216,144	\$ 1,944	\$ 216,144
<b>Expenditures</b>					
General government and judicial					
Personal services	\$ 177,100	\$ 177,100	\$ 177,100	\$ -	\$ 177,100
Travel and professional development	5,000	5,000	5,276	(276)	5,276
Operating supplies	3,300	3,300	3,570	(270)	3,570
Operating services	8,800	8,800	8,843	(43)	8,843
Total expenditures	\$ 194,200	\$ 194,200	\$ 194,789	\$ (589)	\$ 194,789
Net change in fund balance	\$ 20,000	\$ 20,000	\$ 21,355	\$ 1,355	\$ 21,355
Fund balances at beginning of year	135,120	135,120	135,120	-	135,120
Fund balances at end of year	\$ 155,120	\$ 155,120	\$ 156,475	\$ 1,355	\$ 156,475

OTHER SUPPLEMENTAL INFORMATION

Thirty-Sixth Judicial District  
Indigent Defender Board, Louisiana

Schedule 2

Schedule of Prior Year Audit Findings  
Year Ended December 31, 2005

Findings - Financial Statement Audit

There were no prior year audit findings reported as of December 31, 2004.

Thirty-Sixth Judicial District  
Indigent Defender Board, Louisiana

Schedule 3

Schedule of Current Year Audit Findings  
Year Ended December 31, 2005

Current Year Audit Findings

There are no current year audit findings for the year ended December 31, 2005.

# John A. Windham, CPA

*A Professional Corporation*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA

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

Thirty-Sixth Judicial District  
Indigent Defender Board  
Parish of Beauregard  
State of Louisiana

I have audited the financial statements of the governmental activities of the Thirty-Sixth Judicial District Indigent Defender Board, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2005, which collectively comprise the Thirty-Sixth Judicial District Indigent Defender Board's basic financial statements and have issued my report thereon dated May 18, 2006. I conducted my 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.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Thirty-Sixth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My 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 caused by error or fraud 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Thirty-Sixth Judicial District Indigent Defender Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Thirty-Sixth Judicial District  
Indigent Defender Board  
Parish of Beauregard  
State of Louisiana

This report is intended solely for the information and use of management, others within the organization and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties, although under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*John M. Windham, CPA*

DeRidder, Louisiana  
May 18, 2006