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FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2007
With Supplemental Information Schedules

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 8/6/08

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MARY JO FINLEY, CPA, INC.
A PROFESSIONAL CORPORATION

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2007
With Supplemental Information Schedules

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FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
Contents, December 31, 2007

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MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

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Phone (318) 329-8880 - Fax (318) 329-8883

Independent Auditor's Report

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

I have audited the basic financial statements of the Fourth Judicial District Indigent Defender Fund, a component unit of the Ouachita Parish Police Jury, as of December 31, 2007, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Fourth Judicial District Indigent Defender Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and *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 opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Fourth Judicial District Indigent Defender Fund as of December 31, 2007, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Management's discussion and analysis, and supplementary information on pages 6 through 9 and 25 through 26, respectively are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and reviewing the source of selected information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Fourth Judicial District Indigent Defender Fund. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
Independent Auditor's Report,
December 31, 2007

In accordance with *Government Auditing Standards*, I have also issued a report dated June 18, 2008, on the Fourth Judicial District Indigent Defender Fund's compliance with laws and regulations, and my consideration of the agency's internal control over financial reporting. 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 my audit.



West Monroe, Louisiana
June 18, 2008

REQUIRED SUPPLEMENTARY INFORMATION
PART I

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Management's Discussion and Analysis
December 31, 2007

As management of the Fourth Judicial District Indigent Defender Fund, we offer readers of the Fourth Judicial District Indigent Defender Fund's financial statements this narrative overview and analysis of the financial activities of the Fourth Judicial District Indigent Defender Fund for the fiscal year ended December 31, 2007. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Fund's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Fund's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Fourth Judicial District Indigent Defender Fund's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Fourth Judicial District Indigent Defender Fund's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Fourth Judicial District Indigent Defender Fund is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fourth Judicial District Indigent Defender Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fourth Judicial District Indigent Defender Fund uses only governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fourth Judicial District Indigent Defender Fund adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fourth Judicial District Indigent Defender Fund's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fourth Judicial District Indigent Defender Fund exceeded liabilities by \$961,316. Approximately 23% of the Fourth Judicial District Indigent Defender Fund's net assets reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Fourth Judicial District Indigent Defender Fund to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets.

STATEMENT OF NET ASSETS

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and cash equivalents	\$638,797	\$713,766
Receivables	109,005	123,599
Capital assets (net of accumulated depreciation)	<u>219,392</u>	<u>217,803</u>
TOTAL ASSETS	<u>\$967,194</u>	<u>\$1,055,168</u>
LIABILITIES		
Accounts payable	\$3,250	\$110,729
Payroll deducts payable	2,628	1,084
Salaries payable	<u>18,005</u>	<u>18,005</u>
TOTAL LIABILITIES	<u>5,878</u>	<u>129,818</u>
NET ASSETS		
Invested in capital assets, net of related debt	219,392	217,803
Unrestricted	<u>741,924</u>	<u>707,548</u>
TOTAL NET ASSETS	<u>\$961,316</u>	<u>\$925,351</u>

STATEMENT OF ACTIVITIES

	<u>2007</u>	<u>2006</u>
Taxation:		
Personal services	\$399,314	\$230,219
Operating services	1,652,015	1,204,253
Materials and supplies	16,494	18,537
Travel	2,168	4,568
Depreciation expense	<u>9,799</u>	<u>7,733</u>
Total Program Expenses	<u>2,079,790</u>	<u>1,465,310</u>
Program revenues - fees, charges and commissions	<u>94,773</u>	<u>54,958</u>
Net Program Expenses	<u>(1,985,017)</u>	<u>(1,410,352)</u>
General revenues		
Court costs on fines and forfeitures	1,392,355	1,448,273
Bond forfeitures	9,450	56,697
Intergovernmental revenues	619,055	145,158
Other revenue	<u>122</u>	<u>20,326</u>
Total general revenues	2,020,982	1,670,454
Change in Net Assets	35,965	260,102
Net Assets - Beginning of year	<u>925,351</u>	<u>665,249</u>
Net Assets - End of year	<u>\$961,316</u>	<u>\$925,351</u>

Financial Analysis of the Government's Funds

As noted earlier, the Fourth Judicial District Indigent Defender Fund uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2007, the General Fund unreserved, undesignated fund balance of \$741,924 showed an increase of \$34,376 over December 31, 2006.

General Fund Budgetary Highlights

The major difference between revenues of the original budget and the final amended budget were due to an increase in state government appropriations and statutory fines, and a decrease in other revenues. The major difference between expenditures of the original budget and the final budget were for personal services and contract services.

Capital Asset and Debt Administration

Capital assets. The Fourth Judicial District Indigent Defender Fund's investment in capital assets for its governmental activities as of December 31, 2007, amounts to \$219,392 (net of accumulated depreciation). This investment includes building, furniture and equipment. Capital assets increased by \$11,388 and decreased by \$17,923.

Long-term debt. At the end of the fiscal year, Fourth Judicial District Indigent Defender Fund had no outstanding long term debt.

Requests for Information

This financial report is designed to provide a general overview of the Fourth Judicial District Indigent Defender Fund's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fourth Judicial District Indigent Defender Fund, 714 St. Johns Street, LA 71210-3327.

June 18, 2008

BASIC FINANCIAL STATEMENTS

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

STATEMENT OF NET ASSETS
December 31, 2007

ASSETS	
Cash and cash equivalents	\$638,797
Receivables	109,005
Capital assets (net of accumulated depreciation)	<u>219,392</u>
TOTAL ASSETS	<u>\$967,194</u>
LIABILITIES	
Accounts payable	\$3,250
Payroll withholdings payable	<u>2,628</u>
TOTAL LIABILITIES	<u>5,878</u>
NET ASSETS	
Invested in capital assets, net of related debt	219,392
Unrestricted	<u>741,924</u>
TOTAL NET ASSETS	<u>\$961,316</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2007

Judicial:	
Personal services and benefits:	
Salaries	\$368,144
Payroll taxes	31,170
Operating costs:	
Contract services - attorney	1,469,014
Contract services - other	92,684
Travel	9,993
Insurance	2,168
Supplies	16,494
Repairs and maintenance	66,779
Utilities and telephone	11,484
Other	2,061
Depreciation expense	9,799
Total Program Expenses	<u>2,079,790</u>
Program revenues - fees, charges and commissions	94,773
Net Program Expenses	<u>(1,985,017)</u>
General revenues	
Court costs on fines and forfeitures	1,392,355
Bond forfeitures	9,450
Intergovernmental revenues - State Government	
Appropriations - regular	208,967
Appropriations - special	410,088
Other revenue	122
Total general revenues	<u>2,020,982</u>
Change in Net Assets	35,965
Net Assets - Beginning of year	<u>925,351</u>
Net Assets - End of year	<u><u>\$961,316</u></u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2007

ASSETS

Cash and cash equivalents	\$638,797
Receivables	<u>109,005</u>
TOTAL ASSETS	<u>\$747,802</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$3,250
Payroll withholdings payable	2,628
Fund Equity - fund balances - unreserved - undesignated	<u>741,924</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$747,802</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended June30, 2007

Total Fund Balances - Governmental Funds (Statement C)		<u>\$741,924</u>
Cost of capital assets	\$289,391	
Less: Accumulated depreciation	<u>(69,999)</u>	<u>219,392</u>
Net Assets (Statement A)		<u><u>\$961,316</u></u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
GOVERNMENTAL FUNDS

**Statement of Revenues, Expenditures,
and Changes in Fund Balances**

For the Year Ended December 31, 2007

REVENUES

State Government:

Appropriations - regular	\$208,967
Appropriations - special	410,088
Statutory fines, forfeitures, fees, court costs, and other	1,496,578
Other revenue	122
Total revenues	<u>2,115,755</u>

EXPENDITURES

Current:

General government - judicial:

Personnel Services and Benefits:

Salaries	368,144
Payroll taxes	31,170

Operating Costs:

Contract services - attorney	1,469,014
Contract services - other	92,684
Travel	9,993
Insurance	2,168
Supplies	16,494
Repairs and maintenance	66,779
Utilities and telephone	11,484
Other	2,061

Capital outlay

Total expenditures	<u>2,081,379</u>
--------------------	------------------

EXCESS OF REVENUES OVER EXPENDITURES

34,376

FUND BALANCES AT BEGINNING OF YEAR707,548**FUND BALANCES AT END OF YEAR**\$741,924

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2007

Total net change in fund balances - governmental funds (Statement D)	\$34,376
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	<u>1,589</u>
Change in net assets of governmental activities (Statement B)	<u>\$35,965</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fourth Judicial District Indigent Defender Fund 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. The judicial district encompasses the parishes of Morehouse and Ouachita, Louisiana.

The accompanying financial statements of the Fourth Judicial District Indigent Defender Fund have been prepared in conformity with U.S. 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. 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.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury 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 police jury.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The district public defender is appointed by the Louisiana Public Defender Board. However, the police jury is ultimately responsible for the fiscal operations of the Fourth Judicial District court system, which includes the Indigent Defender Fund. Further, because of this relationship, the police jury's general purpose financial statements would be misleading without inclusion of the Fund's financial statements. Therefore, the indigent defender Fund is considered a component unit of the parish reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The Fund's basic financial statements include both government-wide (reporting the Fund as a whole) and fund financial statements (reporting the Fund's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the Fund are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the Fund.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using 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*.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Fund's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Fund's general revenues.

Allocation of Indirect Expenses - The Fund reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the indigent defender fund are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the indigent defender fund. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The Fund's current operations require the use of only governmental funds. The governmental fund type used by the Fund is described as follows:

Governmental Fund Type

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the indigent defender fund and is used to account for the operations of the indigent defender fund's office. The various fees and charges due to the indigent defender fund's office are accounted for in this fund. General operating expenditures are paid from this fund.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. **Accrual:**

Governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. **Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The 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 are recorded in the year they are collected by the parish tax collector or the city.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

Criminal bail bond fees are recorded in the year the bonds are written.

Fees from indigents are recorded when collected by the Division of Probation and Parole.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Based on the above criteria, court costs on fines and forfeitures, criminal bail bond fees, and fees from indigents 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.

E. CASH AND CASH EQUIVALENTS

Under state law, the indigent defender fund 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 principal offices in Louisiana. At December 31, 2007, the indigent defender fund has cash and cash equivalents (book balances) totaling \$638,797.

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 bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2007, total \$736,330 and are fully secured by federal deposit insurance and pledged securities.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fund maintains a threshold level of \$500 or more for capitalizing capital assets.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements (Continued)

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Fund, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

The indigent defender fund employs three part-time employees and has not adopted a formal vacation and sick leave policy.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

H. RISK MANAGEMENT

The indigent defender fund is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. To handle such risk of loss, the indigent defender fund maintains commercial insurance policies covering her automobile, and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2007.

2. RECEIVABLES

The General Fund receivables of \$109,005 at December 31, 2007, are as follows:

<u>Class of receivables:</u>	
Court costs on fines and forfeitures	\$108,092
Bond forfeitures	<u>913</u>
Total	<u><u>\$109,005</u></u>

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, December 31, 2006	\$295,926
Additions	11,388
Deletions	<u>(17,923)</u>
Balance, December 31, 2007	289,391
Less accumulated depreciation	<u>(69,999)</u>
Net Capital Assets	<u><u>\$219,392</u></u>

4. PENSION PLAN

The employees of the indigent defender fund are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the indigent defender fund contributes an amount equal to the employee's contributions to the Social Security System. The indigent defender fund does not guarantee the benefits granted by the Social Security System.

5. LITIGATION AND CLAIMS

The contracts between the indigent defender fund and the attorneys contain provisions requiring the attorneys to maintain professional liability insurance and agreeing to hold the indigent defender fund harmless from any malpractice judgments. Accordingly, no provision for any liability arising from lawsuits has been made in the accompanying financial statements.

6. CONTRACT ATTORNEYS

At December 31, 2007, as provided by Louisiana Statutes 15:145(b)(3), the indigent defender fund had thirty three contract attorneys to provide legal representation to indigents in the Fourth Judicial District. The contracts are for terms of three years and provide for a managing attorney, thirty attorneys for Ouachita Parish (including nine juvenile attorneys), and three attorneys for Morehouse Parish. The managing attorney receives \$6,450 per month in compensation while the remaining attorneys receive monthly compensation ranging from \$2,000 to \$6,450, depending on their years of service under contract. The managing attorney reports to the indigent defender fund on the progress and disposition of cases received.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State Government:				
Appropriations - regular	\$45,000	\$220,000	\$208,967	(\$11,033)
Appropriations - special	391,000	398,820	410,088	11,268
Statutory fines, forfeitures, fees, court costs, and other	1,415,000	1,468,000	1,496,578	28,578
Other revenue	123,000		122	122
Total revenues	<u>1,974,000</u>	<u>2,086,820</u>	<u>2,115,755</u>	<u>28,935</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and benefits:				
Salaries	340,128	388,100	368,144	19,956
Payroll taxes	27,750	34,150	31,170	2,980
Operating Costs:				
Contract services - attorney	1,425,000	1,477,625	1,469,014	8,611
Contract services - other	91,700	100,225	92,684	7,541
Travel	11,750	14,000	9,993	4,007
Insurance	6,000	6,250	2,168	4,082
Supplies	24,250	24,000	16,494	7,506
Repairs and maintenance	9,700	10,700	66,779	(56,079)
Utilities	3,050	12,550	11,484	1,066
Other	1,500	1,250	2,061	(811)
Capital outlay	66,000	61,000	11,388	49,612
Total expenditures	<u>2,006,828</u>	<u>2,129,850</u>	<u>2,081,379</u>	<u>48,471</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(32,828)	(43,030)	34,376	77,406
FUND BALANCE AT BEGINNING OF YEAR	<u>476,719</u>	<u>476,719</u>	<u>707,548</u>	<u>230,829</u>
FUND BALANCE AT END OF YEAR	<u>\$443,891</u>	<u>\$433,689</u>	<u>\$741,924</u>	<u>\$308,235</u>

See accompanying note to budgetary comparison schedule.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2007

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Fourth Judicial District Indigent Defender Fund's office during the month of December for comments from taxpayers. The budget is then legally adopted by the indigent defender fund and amended during the year, as necessary. The budget is established and controlled by the indigent defender fund at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART III**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

FOURTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

I have audited the basic financial statements of the Fourth Judicial District Indigent Defender Fund as of and for the year ended December 31, 2007, and have issued my report thereon dated June 18, 2008. I conducted my audit in accordance with U.S. generally accepted auditing standards 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 Fourth Judicial District Indigent Defender Fund's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fourth Judicial District Indigent Defender Fund's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Fourth Judicial District Indigent Defender Fund's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Fourth Judicial District Indigent Defender Fund's financial statements that is more than inconsequential will not be prevented or detected by the Fourth Judicial District Indigent Defender Fund's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Fourth Judicial District Indigent Defender Fund's internal control.

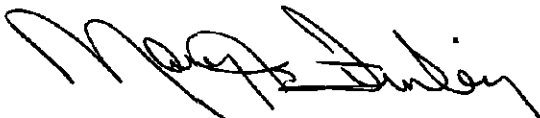
FOURTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2007

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fourth Judicial District Indigent Defender Fund's basic financial statements are free of material misstatement, I 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 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 is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Fourth Judicial District Indigent Defender Fund, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
June 18, 2008

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Schedule of Audit Findings
For the Year Ended December 31, 2007

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Fourth Judicial District Indigent Defender Fund.
2. No instances of noncompliance material to the financial statements of the Fourth Judicial District Indigent Defender Fund was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2007**

There were no findings reported in the audit report for the year ended December 31, 2006.