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**THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**
Jefferson Davis Parish, Louisiana

General Purpose Financial Statements
And Independent Auditor's Report
As of and For the Year Ended December 31, 1999

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 MAY 2 4 2000

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

General Purpose Financial Statements and Independent Auditor' Report
As of and for the Year Ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

Thirty-First Judicial District Indigent Defender Board
Jefferson Davis Parish Police Jury
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of the Thirty-First Judicial District Indigent Defender Board, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 1999, and for the year then ended. These general purpose financial statements are the responsibility of the Thirty-First Judicial District Indigent Defender Board's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental 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 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Thirty-First Judicial District Indigent Defender Board, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2000, on my consideration of Thirty-First Judicial District Indigent Defender Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Certified Public Accountant

Jennings, Louisiana
April 28, 2000

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Jefferson Davis Parish, Louisiana

GOVERNMENTAL FUNDS-GENERAL FUND

Balance Sheet as of December 31, 1999

ASSETS

Cash and cash equivalents	\$ 119,850
Due from other governments-fines and forfeitures	<u>21,557</u>

TOTAL ASSETS	\$ <u>141,407</u>
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LIABILITIES AND FUND EQUITY

Liabilities:

Professional services payable	<u>20,000</u>
Total Liabilities	<u>20,000</u>

Fund Equity:

Fund balance-unreserved-undesignated	
Total Fund Equity	<u>\$ 121,407</u>

TOTAL LIABILITIES AND FUND EQUITY	\$ <u>141,407</u>
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The Accompanying Notes Are An Integral Part of This Statement

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Jefferson Davis Parish, Louisiana

GOVERNMENTAL FUNDS-GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 1999

REVENUES

Fines and forfeitures	\$ 270,244
State Grant	5,000
TOTAL REVENUES	<u>275,244</u>

EXPENDITURES

General governmental-judicial:	
Professional legal services	215,000
Other contracted services	1,275
Miscellaneous	1,397
TOTAL EXPENDITURES	<u>217,672</u>

EXCESS OF REVENUES OVER EXPENDITURES 57,572

FUND BALANCE AT BEGINNING OF PERIOD 63,835

FUND BALANCE AT END OF PERIOD \$ 121,407

The Accompanying Notes Are An Integral Part of this Statement

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

INTRODUCTION

The Thirty-First Judicial District Indigent Defender Board, established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district court level. The judicial district encompasses Jefferson Davis Parish. The board is composed of three members who are appointed by the district court. Board members serve without compensation. Revenues to finance the board's operations are provided from court costs on fines imposed by the district court.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Thirty-First Judicial District Indigent Defender Board have been prepared in conformity with generally accepted accounting principals (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

Section 210 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

The indigent defender board is part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the jury has approval authority over its capital budget. As a result, the indigent defender board was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

the funds maintained by the Indigent Defender Board of the 31st Judicial District and do not present information of the police jury, the general governmental services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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 resources.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The board's records are maintained on a cash basis of accounting. However, the general fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues

Court costs on fines and forfeitures are recorded in the month that the amounts are collected by the appropriate courts.

Expenditures

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

E. BUDGET PRACTICES

The indigent defender board did not adopt a budget for the General Fund. Therefore, the financial statements do not reflect a comparison of revenues and expenditures to budget. According to attorney general opinion 82-531, the board is not a political subdivision within the meaning of the

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

Louisiana Local Government Budget Act. As a result, the board is not required to adopt a budget under law.

F. ENCUMBRANCES

The board does not utilize formal encumbrance accounting.

G. 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 and those investments with original maturities of 90 days or less. Under state law, the board may deposit funds in demand deposits, interest-bearing deposits, money market accounts, 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.

H. FIXED ASSETS

The board has no fixed assets as discussed in item D above.

I. PENSION PLAN

The board has no employees and therefore no participation in any of the public employee retirement systems.

J. LONG-TERM OBLIGATIONS

The board has no outstanding long-term obligations.

2. CASH AND CASH EQUIVALENTS

At December 31, 1999, the board had cash and cash equivalents (book balances) totaling \$ 119,850 as follows:

<i>Non-interest-bearing demand deposits</i>	\$ <u>119,850</u>
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At December 31, 1999, the board had \$ 119,850 in deposits (collected bank balances). Unsecured cash balances in excess of coverage (\$100,000) by the Federal Deposit Insurance Corporation as of year end amounted to \$ 19,850.

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

3. LITIGATION

There is no litigation pending against the board at December 31, 1999

4. SIGNIFICANT AGREEMENTS

The district has entered into contracts with four attorneys to provide criminal defense legal services to the Thirty-First Judicial District Court, Ward 2 Court and the Jennings City Court as appointed by the presiding judge of each court. Under the terms of each contract each attorney is paid the lesser of the following sum: 1) \$60,000; or 2) a prorata portion (depending on the number of contract attorneys) of the monthly Thirty-First Judicial District Indigent Defender Board's net proceeds, after deducting actual and necessary expenses, including but not limited to transcription fees, investigatory expenses, seminar expenses, travel expenses, non-volunteer attorney fees, etc. which are approved by the board.

5. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Thirty-First Judicial District Indigent Defender Board does not utilize a computer system or other electronic equipment that may be affected by the Year 2000 issue.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that parties with whom the Thirty-First District Indigent Defender Board does business with will be Year 2000 ready.

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

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

Thirty-First Judicial District Indigent Defender Board
Jefferson Davis Parish
Jennings, Louisiana

I have audited the general purpose financial statements of the Thirty-First Judicial District Indigent Defender Board, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 1999, and have issued my report thereon dated April 28, 2000. I conducted my audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether Thirty-First Judicial District Indigent Defender Board's general purpose 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 99-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Thirty-First Judicial District Indigent Defender Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Thirty-First Judicial District Indigent Defender Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying summary schedule of prior audit findings as item 96-1, since this condition also existed in the prior year.

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 general purpose 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above I consider item 96-1 to be a material weakness.

This report is intended for the information of the Board , management, and the Louisiana Legislative Audit Advisory Council. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Jennings, Louisiana
April 28, 2000

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1999

I have audited the financial statements of Thirty-First Judicial District Indigent Defender Board as of and for the year ended December 31, 1999, and have issued my report thereon dated April 28, 2000. I conducted my audit in accordance with 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. Our audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
 Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
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Not applicable

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Section II Financial Statement Findings

CURRENT YEAR FINDINGS :

99-1. UNSECURED BANK ACCOUNT BALANCE— At December 31, 1999, the district had an unsecured bank balance of \$19,850. Discussion with management indicated that this was the first time that cash balances have become this large. Adequate security was obtained on February 23, 2000.

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1999

PRIOR YEAR FINDINGS :

96-1. LACK OF ADEQUATE SEGREGATION OF DUTIES – See summary schedule of prior audit findings.

Section III Federal Award Findings and Questioned Costs

No findings to report.

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 Jefferson Davis Parish, Louisiana

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
 For the Year Ended December 31, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	Additional Explanation
96-1	1996	Due to the size of operations, the board does not have adequate segregation of functions within accounting system. This condition still exists at December 31, 1999	No-see additional explanation.	Change may not be feasible.	Based upon the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

THIRTY-FIRST JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS**
For the Year Ended December 31, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-1	Unsecured bank account balance	Adequate security pledge was obtained on February 23, 2000	Logan Nichols	February 23, 2000