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

ANNUAL FINANCIAL STATEMENTS
WITH AUDITOR'S REPORTS
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 JUN 14 2000

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

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT		1-2
GENERAL PURPOSE FINANCIAL STATEMENTS:		
Governmental Fund Type - General Fund:		
Balance Sheet	A	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	B	5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	C	6
Notes to the Financial Statements		7-10
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		11-12

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John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Thirty-Sixth Judicial District Indigent Defender Board, State of Louisiana, Beauregard Parish, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Thirty-Sixth 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 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 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 above present fairly, in all material respects, the financial position of the Thirty-Sixth Judicial District Indigent Defender Board, State of Louisiana, Beauregard Parish, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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

In accordance with Government Auditing Standards, I have also issued my report dated May 19, 2000, on my consideration of the Thirty-Sixth Judicial District Indigent Defender Board's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

John A. Wickham, CPA
DeRidder, Louisiana
May 19, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

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

Statement A

GOVERNMENTAL FUND TYPE - GENERAL FUND
Balance Sheet
December 31, 1999

ASSETS

Cash	\$112,840
Revenues receivable - court costs on fines and forfeitures	<u>9,979</u>
Total assets	<u>\$122,819</u>

LIABILITIES AND FUND EQUITY

Liabilities:	
Accounts payable	\$ 14,583
Fund Equity:	
Fund balance - unreserved - undesignated	<u>108,236</u>
Total liabilities and fund equity	<u>\$122,819</u>

The accompanying notes are an integral part of this statement.

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

Statement B

GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 1999

Revenues:	
District court fees	\$145,187
Intergovernmental revenues:	
State grant	5,000
Interest income	4,487
Other revenues--bonding fees	<u>19,218</u>
Total revenues	<u>\$173,892</u>
Expenditures:	
General government--judicial:	
Contract labor	\$ 1,800
Attorneys fees	175,000
Investigation/case expenses	4,916
Legal and accounting	1,500
Office expense	<u>4,616</u>
Total expenditures	<u>\$187,832</u>
Excess (deficiency) of revenues over expenditures	<u>\$(13,940)</u>
Fund balance at beginning of year	<u>\$122,176</u>
Fund balance at end of year	<u>\$108,236</u>

The accompanying notes are an integral part of this statement.

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

Statement C

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, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
District court fees	\$150,000	\$145,187	\$ (4,813)
State grant	5,000	5,000	---
Interest income	4,500	4,487	(13)
Other revenues-bonding fees	<u>19,000</u>	<u>19,218</u>	<u>218</u>
Total revenues	<u>\$178,500</u>	<u>\$173,892</u>	<u>\$ (4,608)</u>
Expenditures:			
General government-judicial:			
Contract labor	\$ 1,800	\$ 1,800	\$ ---
Attorney fees	175,000	175,000	---
Investigation/case expenses	---	4,916	(4,916)
Legal and accounting	1,500	1,500	---
Office expense	<u>4,500</u>	<u>4,616</u>	<u>(116)</u>
Total expenditures	<u>\$182,800</u>	<u>\$187,832</u>	<u>\$ (5,032)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,300)</u>	<u>\$ (13,940)</u>	<u>\$ (9,640)</u>
Fund balances at beginning of year	<u>\$122,176</u>	<u>\$122,176</u>	<u>\$ ---</u>
Fund balances at end of year	<u>\$117,876</u>	<u>\$108,236</u>	<u>\$ (9,640)</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1999

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 Board is a Board of Commissioners consisting of five members selected by the District Judge.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Thirty-Sixth 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 which component units should be considered part of the Beauregard Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1999

1. Appointing a voting majority of an organizations'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.
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.

For financial reporting purposes, the Thirty-Sixth Judicial District includes all funds, account groups and activities that are controlled by the Thirty-Sixth Judicial District Board which is appointed by the District Judge, an independently elected parish official. The Thirty-Sixth Judicial District management is solely responsible for the operations of this office which includes the hiring & retention of employees, authority over budgeting, the responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Thirty-Sixth Judicial District's office that are paid by the parish police jury as required by Louisiana law, the Thirty-Sixth Judicial District is financially independent. Accordingly, the Thirty-Sixth Judicial District is a separate governmental reporting entity.

C. FUND ACCOUNTING

The board uses a fund 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

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1999

assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial 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 assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Court costs of fines and bond forfeitures, imposed by the district court and city courts, are recorded in the year they are collected by the tax collector.

Interest income on investments are recorded when the investments have matured and the income is available.

Expenditures

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

E. BUDGETS

The budgets of the Thirty-Sixth Judicial District Indigent Defender Board, State of Louisiana, Beauregard Parish, are adopted in accordance with Louisiana Revised Statutes 39:1301-1314. Annually, the Thirty-Sixth Judicial District Indigent Defender Board adopts a budget for the General Fund. The budgetary practices include public notice and public inspection of the proposed budget. Budgeted amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1999

F. CASH AND CASH EQUIVALENTS
AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. 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 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.

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. Investments are stated at cost.

(2) CASH AND CASH EQUIVALENTS

At December 31, 1999, the board has cash and cash equivalents (book balances) totaling \$112,840 as follows:

Interest-bearing demand deposits	\$ 46,980
Certificates of Deposit	<u>65,860</u>
Total	<u>\$112,840</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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, 1999, the district has \$112,840 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance. The remaining balance of \$12,840 is not secured by a pledge of securities and is a violation of state law.

(3) RECEIVABLES

The following is a summary of receivables at December 31, 1999:

Court costs	<u>\$ 9,979</u>
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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

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

I have audited the general purpose financial statements of the Thirty-Sixth Judicial District Indigent Defender Board, State of Louisiana Beauregard Parish, as of and for the year ended December 31, 1999, and have issued my report thereon dated May 19, 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 the Thirty-Sixth 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 no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS. However, I noted certain immaterial instances of noncompliance that I have reported to the Thirty-Sixth Judicial District Indigent Defender Board in a separate letter dated May 19, 2000.

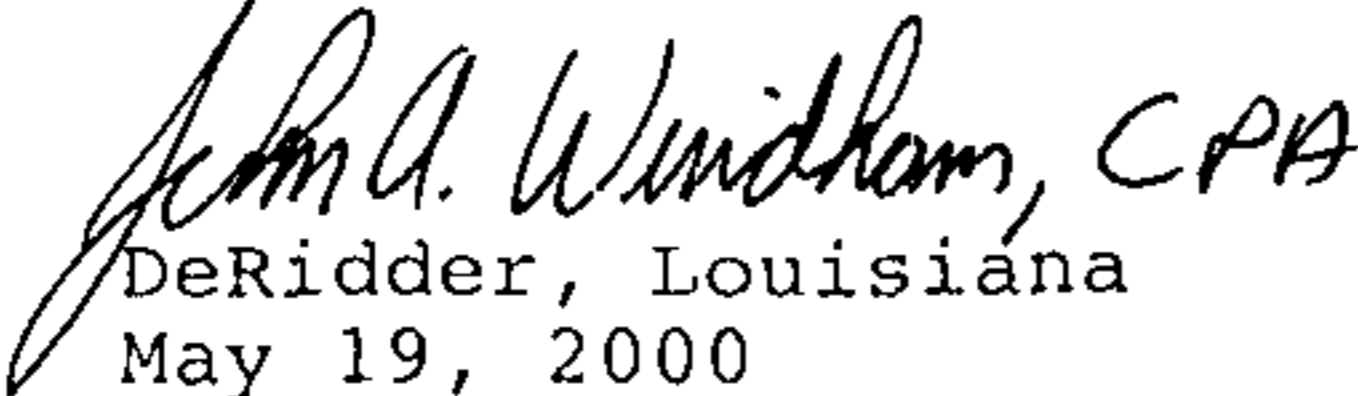
Internal Control Over Financial Reporting

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 opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily disclose

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

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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Thirty-Sixth Judicial District Indigent Defender Board's 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.


DeRidder, Louisiana
May 19, 2000

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John A. Windham, CPA

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

In planning and performing my audit of the general purpose financial statements of the Thirty-Sixth Judicial District Indigent Defender Board, State of Louisiana, Beauregard Parish for the year ended December 31, 1999, I considered its internal control 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. However, I noted certain matters involving internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control that, in my judgement, could adversely affect the Thirty-Sixth 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.

Other Comments and Recommendations

Uncollateralized Bank Balances

Finding:

The Thirty-Sixth Judicial District Indigent Defender Board had \$112,840 in interest bearing deposits at one financial institution at December 31, 1999. The financial institution did not have any securities pledged and therefore provided only \$100,000 of FDIC coverage for the balances. This left \$12,840 uncollateralized at December 31, 1999 which is a violation of state law.

Recommendation:

I recommend that the Thirty-Sixth Judicial District Indigent Defender Board monitor the financial institutions where funds are deposited and make sure that FDIC coverage plus pledged securities are sufficient to cover the amounts on deposit with the financial institutions at all times during the year.

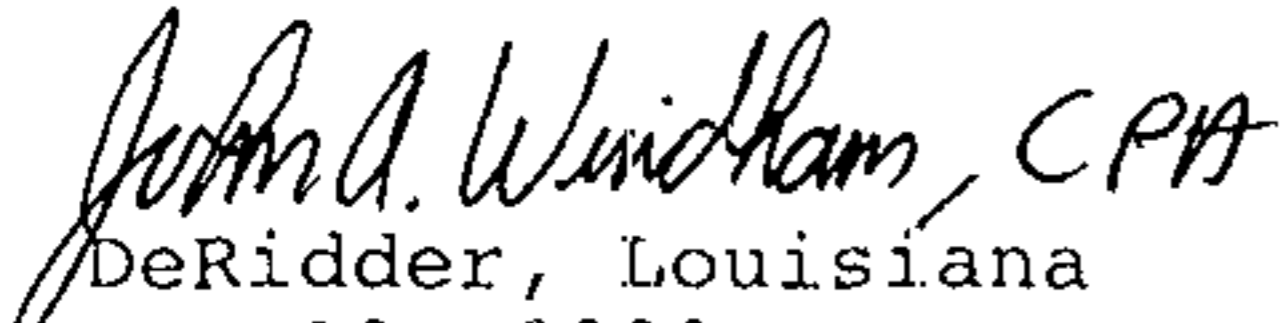
Thirty-Sixth Judicial District
Indigent Defender Board
State of Louisiana
Beauregard Parish
Page 2

A material weakness is a reportable 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 errors or fraud 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 internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the December 31, 1999 general purpose financial statements, and this report does not affect my report on those general purpose financial statements dated May 19, 2000. I have not considered the internal control since the date of my report.

This report is intended solely for the information and use of the Thirty-Sixth Judicial District Indigent Board's management, others within the administration and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.


DeRidder, Louisiana
May 19, 2000

THIRTY-SIXTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

P.O. Box 430
DeRidder, Louisiana 70634

RECEIVED
LEGISLATIVE AUDITOR

99 JUN -5 PM 10:40

May 26, 2000

Dr. Daniel G. Kyle, CPA
Office of Legislative Auditor
State of Louisiana

Ref: December 31, 1999 Audit Finding

Dear Dr. Kyle:

In response to the management letter I received at the conclusion of the Indigent Defender Board's annual audit, I offer the following response:

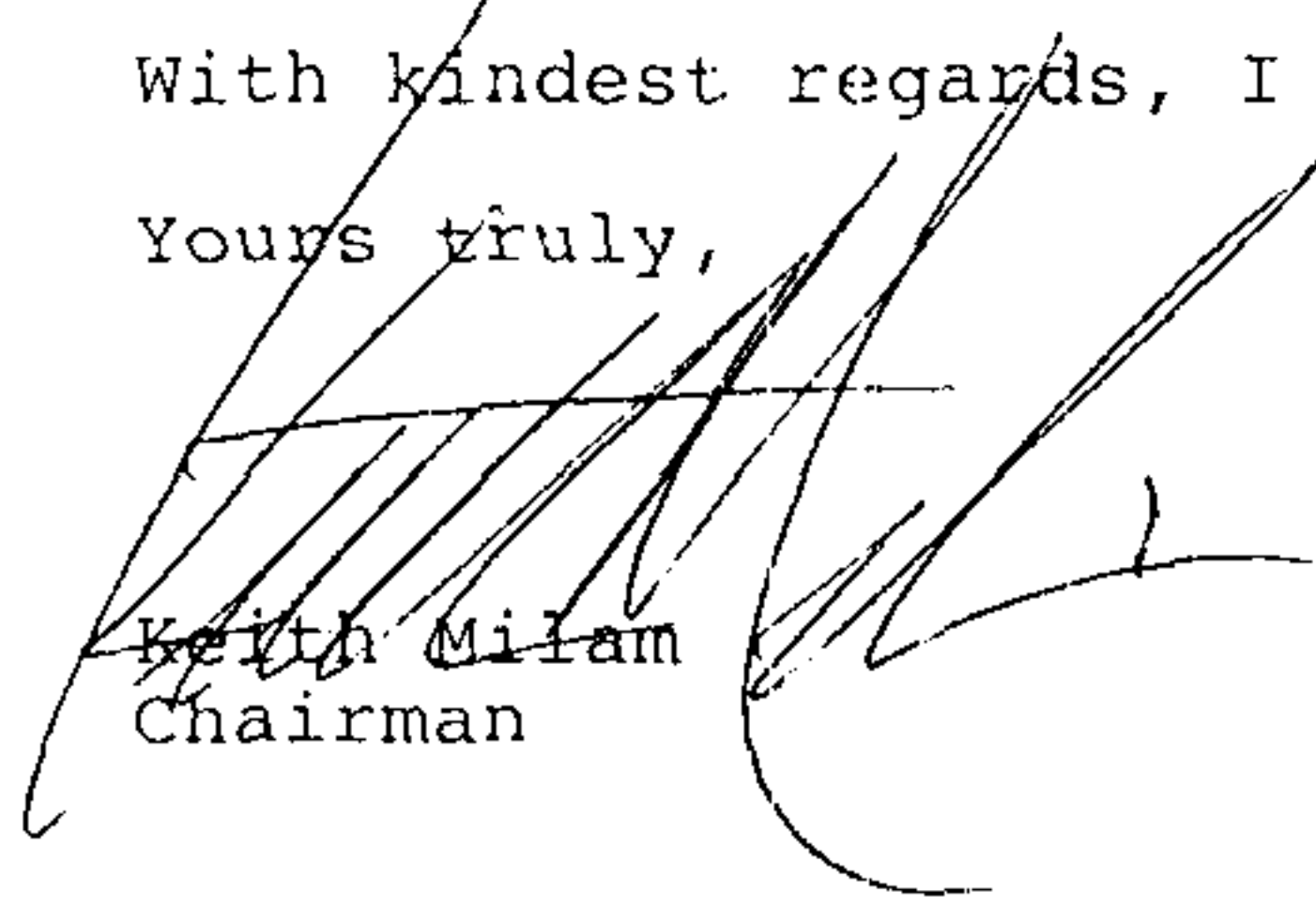
Finding #1 - Uncollateralized Bank Balances

The financial institution that the Board uses has not consistently monitored our bank balances to determine if FDIC coverage is sufficient or if additional securities should be pledged to cover these bank balances.

I will monitor the local bank where our funds are deposited and make certain that the combination of FDIC coverage and securities pledged, if applicable, are sufficient to cover the amounts on deposit.

With kindest regards, I am,

Yours truly,


Keith Milam
Chairman