

1828

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR
2000 JUL -5 AM 10:54

TWENTY - SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

**INDEPENDENT AUDITOR'S REPORT AND
REPORT ON COMPLIANCE AND INTERNAL CONTROL**

Covington, LA

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 JUL 26 2000

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3-4
FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Group	5-6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund (Budget to Actual)	8
Notes to the Financial Statements	9-15
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS AND PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17-18
Schedule of Findings and Questioned Costs	19
Status of Prior Year Findings and Questioned Costs	20
Management's Corrective Action Plan	20



**EILEEN
SHANKLIN
ANDRUS**
CERTIFIED PUBLIC
ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Twenty - Second Judicial District
Indigent Defender Board
402 North Jefferson Street
Covington, LA 70453

I have audited the accompanying combined balance sheet of the Twenty - Second Judicial District Indigent Defender Board (the Board) as of December 31, 1999 and the related statement of combined revenues, expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Twenty -Second Judicial District Indigent Defender Board as of December 31, 1999 and results of operations for the year ended in conformity with generally accepted accounting principles.

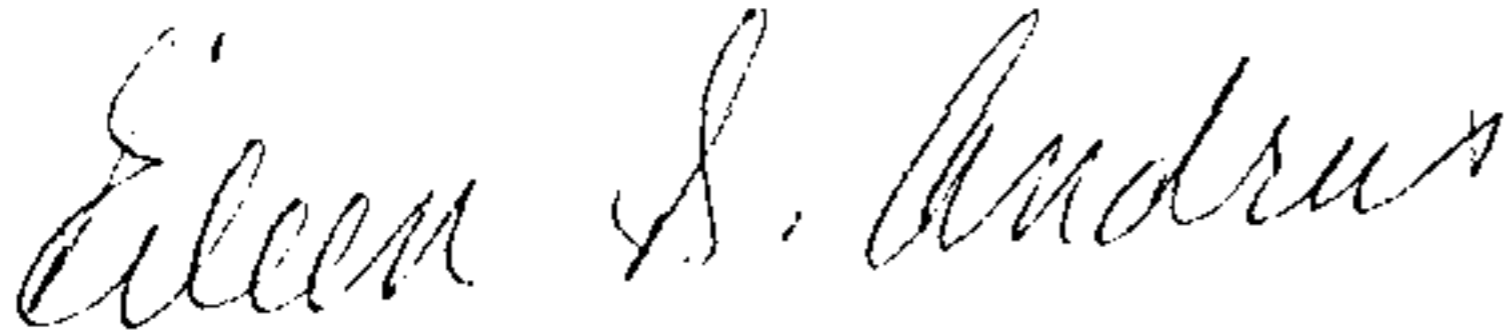
In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2000 on my consideration of the Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Member of the
American Institute
of Certified Public
Accountants

Member of the
Louisiana Society
of Certified Public
Accountants

2100 3rd St., Ste. 9
KENNER, LA 70062
OFFICE: (504) 468-9007
FAX: (504) 468-9927
1-800-922-1205

My audit was performed for the purpose of forming an opinion on the financial statements of the Board. The accompanying schedule of findings and other supplementary information is presented for purposes of additional analysis as required by the Louisiana Office of the Legislative Auditor and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



EILEEN SHANKLIN ANDRUS
CERTIFIED PUBLIC ACCOUNTANT
A LIMITED LIABILITY COMPANY

April 28, 2000

TWENTY-SECOND JUDICIAL DISTRICT
 INDIGENT DEFENDER BOARD
 COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

ASSETS	GENERAL FUND	SPECIAL REVENUE GRANT FUND	GENERAL FIXED ASSET ACCOUNT GROUP	TOTAL (Memo Only)
Cash- Checking	\$ 97,035	\$ 53,483	--	\$ 150,518
Cash- Savings	489,179	--	--	489,179
Court Fees Receivable	85,557	--	--	85,557
Probation Fees Receivable (net of allowance for uncollectible fees of \$691,469)	66,500	--	--	66,500
Prepaid Expenses	3,853	--	--	3,853
Equipment and Furnishings	--	--	109,420	109,420
Total Assets	\$ 742,124	\$ 53,483	\$ 109,420	\$ 905,027

TWENTY-SECOND JUDICIAL DISTRICT
 INDIGENT DEFENDER BOARD
 COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 3,353	--	\$ 3,353
Accrued Liabilities	43,177	\$ 2,651	45,828
Deferred Revenue	66,500	--	66,500
Total Liabilities	<u>113,030</u>	<u>2,651</u>	<u>115,681</u>
Fund Balances:			
Investment in General			
Fixed Assets	--	\$ 109,420	109,420
Fund Balances-Unreserved	629,094	--	629,094
Fund Balance-Designated for Grant	--	50,832	50,832
Total Fund Balances and Investment			
in General Fixed Assets	<u>629,094</u>	<u>50,832</u>	<u>789,346</u>
Total Liabilities and Fund			
Balances	<u>\$ 742,124</u>	<u>\$ 53,483</u>	<u>\$ 905,027</u>

See accompanying notes.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND	SPECIAL REVENUE GRANT FUND	TOTAL (Memo Only)
Revenue:			
Court Costs	\$ 790,647	--	\$ 790,647
Grant Funds	--	\$ 240,449	240,449
Probation Fees	66,378	--	66,378
Judicial District Fund	30,000	--	30,000
Bail Bond Fees	52,448	--	52,448
Other	15,469	--	15,469
Total Revenues	<u>954,942</u>	<u>240,449</u>	<u>1,195,391</u>
Expenditures:			
Payroll	769,396	239,458	1,008,854
Investigative	302	8,179	8,481
Office Furniture and Equipment	4,589	6,279	10,868
Telephone	12,419	--	12,419
Insurance	9,081	--	9,081
Attorney Fees	12,861	3,841	16,702
Office Supplies	7,937	--	7,937
Travel	5,967	2,840	8,807
Law Library	10,299	--	10,299
Seminar Expenditures	90	3,600	3,690
Accounting & Legal	6,694	--	6,694
Rent	14,115	--	14,115
Utilities	5,872	--	5,872
Relocation Expenditures	1,223	--	1,223
Other Expenditures	1,958	--	1,958
Total Expenditures	<u>862,803</u>	<u>264,197</u>	<u>1,127,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>92,139</u>	<u>(23,748)</u>	<u>68,391</u>
Fund Balance:			
Beginning of Year, Unadjusted	515,638	74,580	590,218
Prior Period Adjustment	21,317	--	21,317
Beginning Balance, as Adjusted	536,955	74,580	611,535
End of Year	<u>\$ 629,094</u>	<u>\$ 50,832</u>	<u>\$ 679,926</u>

See accompanying notes.

TWENTY-SECOND JUCICIAL DICTRICT INDIGENT DEFENDER BOARD
 STATE,EMT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND
 (BUDGET TO ACTUAL)
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
Revenue:			
Court Costs	\$ 741,615	\$ 790,647	\$ 49,032
Probation Fees	64,974	66,378	1,404
Bail Bond Fees	41,013	52,448	11,435
Judicial District Fund	30,000	30,000	--
Other	12,274	15,469	3,195
Total Revenues	<u>889,876</u>	<u>954,942</u>	<u>65,066</u>
 Expenditures:			
Payroll	763,178	769,396	(6,218)
Investigative	900	302	598
Office Furniture and Equipment	5,426	4,589	837
Telephone	12,676	12,419	257
Insurance	12,302	9,081	3,221
Attorney Fees	18,000	12,861	5,139
Office Supplies	8,801	7,937	864
Travel	7,689	5,967	1,722
Law Library	10,372	10,299	73
Seminar Expenditures	3,000	90	2,910
Accounting & Legal	5,300	6,694	(1,394)
Rent	14,115	14,115	0
Utilities	5,296	5,872	(576)
Relocation Expenditures	--	1,223	(1,223)
Other Expenditures	4,252	1,958	2,294
Total Expenditures	<u>871,307</u>	<u>862,803</u>	<u>8,504</u>
 Excess (Deficiency) of Revenue Over Expenditures			
	<u>18,569</u>	<u>92,139</u>	<u>73,570</u>
 Fund Balance:			
Beginning of Year, Unadjusted	515,638	515,638	--
Prior Period Adjustment	21,317	21,317	--
Beginning Balance, as Adjusted	536,955	536,955	--
End of Year	<u>\$ 555,524</u>	<u>\$ 629,094</u>	<u>\$ 73,570</u>

See accompanying notes.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Twenty-Second Judicial District Indigent Defender Board (the Board) was established in compliance with Louisiana Revised Statutes 15:144-149. The Board provides counsel to represent indigents (needy individuals) in criminal cases at the district level. The Judicial District encompasses the parishes of Washington and St. Tammany located in the State of Louisiana.

The Board is composed of five members who are appointed by the district court system. Board members serve without compensation.

Revenues to finance the board's operations are provided primarily from court costs on fines imposed by the various courts within the District.

A. Basis of Presentation

The accompanying financial statements have been prepared on the modified -accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the acceptable standard-setting body for establishing governmental accounting and financial reporting principles.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity

For financial statement reporting purposes, the Indigent Defender Board is a part of the district court system of the State of Louisiana. However, the state statutes that create the boards also give each of the boards control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The indigent defender board is financially independent and operates separately from the State of Louisiana and independently from the district court system. For this reason, the Board operates and reports as an independent reporting entity, and the financial statements include only the transactions of the Twenty-Second Judicial District Indigent Defender Board.

C. Fund Accounting

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. The Board uses two funds and one account group to report the Board's financial position and the results of its operations. A special revenue fund (grant fund) reports all transactions for grant monies. The general fund reports all transactions of the organization other than those funds to be used for a purpose specified by law or agreement.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. Only current assets and current liabilities are generally included in this measurement focus on the balance sheet. The operating statement represents increases and decreases in net current assets. The General Fund uses 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 contributing agencies. Fees from indigents are recorded when received. Interest income is accrued when earned. All other revenues and grants are recorded when earned.

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

General Fixed Asset Account Group - the general fixed asset account group is used to keep track of all assets owned by the Board which are not obsolete.

E. Budget Practices

The Indigent Defender Board is not required by law to adopt an annual budget. However, the board prepared a budget for the General Fund on the modified accrual basis of accounting for the year ended December 31, 1999.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget Practices (continued)

This budget was integrated into the accounting records and employed as a management control device. Budget comparisons were presented to the board at the quarterly meetings. The board does not use encumbrance accounting, and appropriations lapse at the end of each year.

F. Cash

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Account Receivable

Receivables for probation fees are fees imposed by the courts as a condition of probation and are reported net of uncollectible amounts. Traditionally, collection of these fees is highly questionable. Accordingly, the amounts collected before due is treated as a deferred revenue. These fees will be included in revenue when earned and/or collected. Collection is assured for receivables for court costs on fines and forfeitures and bail bond fees, these fees are recognized as revenue when earned.

H. Grants

The Board's grant is reported as special revenue in a special revenue fund. The District had one grant at December 31, 1999 from the State of Louisiana Indigent Defender Board's District Assistance Fund.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. General Fixed Assets Account Group

General fixed assets of the Board are recorded as expenditures at the time of purchase in the general fund. The fixed assets are recorded at historical cost in the general fixed asset account group. In accordance with generally accepted governmental accounting standards no depreciation is taken on general fixed assets of a governmental fund.

J. Compensated Absences

The Board's employees earn varying amounts of vacation and sick leave each year. Employees can not accrue sick leave, however, vacation leave may be accrued and used to supplement sick leave in the event of catastrophic illness. Therefore, there is no liability for accumulated sick leave relating to the General Fund, but vacation may accrue up to a maximum of 30 days. Any unused vacation days in excess of 30 days will be lost if not taken in the current year.

K. Total Column on Balance Sheet

The total column on the balance sheet and statement of revenues and expenditures is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Amounts in this column do not represent financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

L. Prior Period Adjustment

The amounts shown as a prior period adjustment is the result of adjustments to receivables. This adjustment resulted in an increase on the General Fund totaling \$21,317.

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 2 - FURNITURE AND FIXTURES

The District's furniture and fixtures consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture & Fixtures	\$ <u>97,719</u>	\$ <u>11,701</u>	<u>- -</u>	\$ <u>109,420</u>

There is no depreciation expense recorded in the general fixed asset account group.

NOTE 3 - CONCENTRATIONS

The majority of revenue earned by the District comes from the Parish of St. Tammany and the City of Slidell in the form of court costs.

NOTE 4 - OPERATING LEASE

On January 1, 1999, the District entered into a lease in Washington Parish for office space. The lease is non-cancelable with an option to lease the building till December of 2005. There are two renewal periods-each with a five year term. Future payments required under the first term are as follows:

<u>December 31</u>	<u>Amount</u>
2000	\$10,800
2001	10,800
2002	10,800
2003	<u>10,800</u>
Total	<u>\$43,200</u>

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Notes to the Financial Statements

For the Year Ended December 31, 1999

NOTE 4 - OPERATING LEASE (Continued)

The St. Tammany lease was terminated in December of 1999 when the Board's offices were temporarily relocated pending completion of the new Courthouse. The Board pays no rent at the temporary location.

Total rent expense for the year ended December 31, 1999 is \$14,115.

SUPPLEMENTARY INFORMATION



**EILEEN
SHANKLIN
ANDRUS**
CERTIFIED PUBLIC
ACCOUNTANT

Member of the
American Institute
of Certified Public
Accountants

Member of the
Louisiana Society
of Certified Public
Accountants

2100 3rd St., Ste. 9
KENNER, LA 70062
OFFICE: (504) 468-9007
FAX: (504) 468-9927
1-800-922-1205

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

Board of Directors
Twenty-Second Judicial District
Indigent Defender Board
402 North Jefferson St.
Covington, LA 70433

I have audited the financial statements of the Twenty-Second Judicial District Indigent Defender Board (the 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.

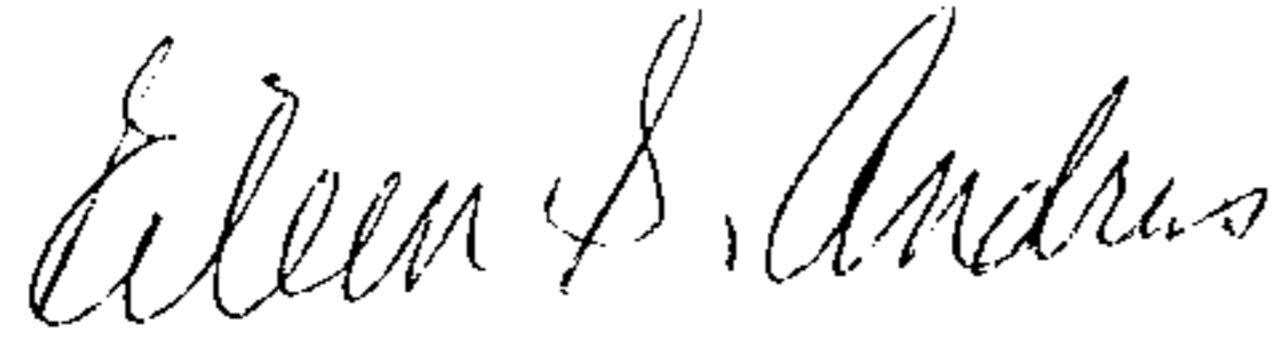
Compliance

As part of obtaining reasonable assurance about whether the Board's 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Twenty-Second 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 financial statements and not to provide assurance 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 misstatement 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.

This report is intended for the information of the Board and management of the District state and local awarding agencies and pass-through agencies and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Eileen S. Andrus".

EILEEN SHANKLIN ANDUS
CERTIFIED PUBLIC ACCOUNTANT
A LIMITED LIABILITY COMPANY

April 28, 2000

TWENTY - SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 1999

I have audited the financial statements of the Twenty-Second 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 statement as of December 31, 1999 resulted in an unqualified opinion

Section 1. Summary of Auditor's Reports

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

Internal Control

Material Weakness(es) identified Yes X No

Reportable Condition(s) identified
that is not considered to be
material weaknesses Yes X none reported

Compliance

Noncompliance material to financial
Statements noted? Yes X No

Federal Awards

The Twenty-Second Judicial District Indigent Defender Board expended no federal funds for the year ended December 31, 1999.

Section II. Financial Statement Findings

There were no findings required to be reported for the year ended December 31, 1999

Section III. Federal Award Findings and Questioned Costs

Not Applicable.

TWENTY- SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 1999

NONE REPORTED IN PRIOR YEAR.

MANAGEMENT'S CORRECTIVE ACTION PLAN

There were no findings or management letter comments to respond to for the year ended December 31, 1999.