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**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

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Parish of Washington and
St. Tammany, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Fiscal Year Ending December 31, 1997

June 23, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the State House of Representatives of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Report Date June 23, 1998

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**
Parishes of Washington and St. Tammany, Louisiana

General Purpose Financial Statements
As of and for the Year Ended December 31, 2007

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

TWENTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Parishes of Washington and
St. Tammany, Louisiana

I have audited the general purpose financial statements of the Twenty-Second Judicial District Indigent Defender Board as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of the Twenty-Second Judicial District Indigent Defender Board. The responsibility of the independent auditor 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 contained in the Government Auditing Standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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 the Board, as well as, evaluating the overall general purpose financial statement presentation. I believe that our 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 respect, the financial position of the Twenty-Second Judicial District Indigent Defender Board, as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Internal Accounting Controls Report

Internal control structure consists of the control environment, accounting system, and control procedures used by the board. The internal control structure is the responsibility of management and is used to provide the board with a reasonable, but not absolute, ability to record, process, summarize, and report financial data consistent with the assertions embodied in the accompanying financial statements; to safeguard public assets; and to comply with laws and regulations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures.

For the purpose of this report, I have classified the significant internal control structure policies and procedures into the following categories:

Budgeting and Budget Reporting
Revenues/Receipts
Purchases/Disbursements/Payroll

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk. I did not evaluate the effectiveness of the internal control structure categories because of the limited number of personnel involved in the accounting system. Assessing control risk at a high level, I depended my substantive audit tests.

In my consideration of the internal control structure, I noted a material weakness regarding the limited accounting staff which precludes an adequate segregation of duties.

The board has established a computerized subsidiary detail ledger for probation fees receivable. They have developed a system to reconcile the general ledger account with the individual probation accounts receivable. The probation accounts receivable were reconciled as of December 31, 1997.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. Because of inherent limitations in any internal control structure, errors and irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of the control structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My report on internal control structure is intended for the information and use of the Indigent Defender Board and its Management.

Compliance Report

In accordance with the standards mentioned previously, I am required to communicate to management and include in my reportable conditions, all matters that come to my attention relating to significant deficiencies in the design or operation of the internal control structure, in my judgement, could adversely affect the board's ability to (1) record, process, summarize, and report financial data consistent with the assertions of management in the financial statements, or (2) comply with the laws and regulations

reportable condition in which the design or operation of one or more of the internal control structure elements, including those relating to compliance with laws and regulations, does not reduce to a relatively low level the risk that errors or irregularities, 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 duties.

Compliance with laws and regulations applicable to the Indigent Defender Board is the responsibility of management and the board. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the board's compliance with certain provisions of laws and regulations. However, my objective was not to provide an opinion on overall compliance with such provisions.

The result of my tests indicate that, with respect to the items tested, the Twenty-Second Judicial District Indigent Defender Board complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to my attention that caused me to believe that the board had not complied, in all material respects, with those provisions.

Respectfully submitted,



David E. Moyle, CPA
June 23, 1999

TWENTY-SECOND JUDICIAL DISTRICT
INCIDENT DEPENDENT BOARD
 Parish of Washington and St. Tammany, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND GENERAL	GRANTS LEADS	GENERAL FUND ASSETS	TOTAL MEMO ONLY
ASSETS:				
Cash (Note 2)	\$679,203			\$679,203
Grants from L.L.D.B. (Note 7)				
Grant # 2		4,533		4,533
Grant # 3		34,211		34,211
Grant # 5		22,849		22,849
Grant # 6		58,333		58,333
Prepaid Health Insurance	7,085			7,085
Receivables:				
Interest	502			502
Provision Fees (net of allowance for uncollectibles)	72,788			72,788
Due From Other Governments				
Court Costs on Fines and Forfeitures	84,458			84,458
Mail Bond Fees	12,987			12,987
Equipment (Note 4)			94,556	94,556
TOTAL ASSETS	757,012	115,623	94,556	1,867,191
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Payables	2,779			2,779
Deferred Revenues	72,788			72,788
Warranties Accrued	32,485			32,485
TOTAL LIABILITIES	108,052	0	0	158,052
FUND EQUITY:				
Fund Balance-General Unreserved	657,960			657,960
Fund Balance-Grants LEADS		115,623		115,623
Investment-General Fixed Assets			94,556	94,556
TOTAL FUND EQUITY	657,960	115,623	94,556	1,128,139
TOTAL LIABILITIES AND FUND EQUITY	174,012	115,623	94,556	1,391,791

The accompanying notes are an integral part of this statement.

STATEMENT A

TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENSE BOARD
 Parishes of Washington and St. Tammany, Louisiana
GOVERNMENTAL FUND - GENERAL FUND & GRANT FUND

Statement of Revenues, Expenses, and Changes in Fund Balance
 For the Year Ended December 31, 2022

	<u>GENERAL FUND</u>	<u>GRANT FUND</u>
REVENUES		
Court Costs on Files and Partitures	9581,854	
Probation Fees	68,278	
Dist Court Fees	68,804	
22nd JDC Fund	30,808	
Interest Earned on Deposits	12,219	
Miscellaneous Income	675	
Grant 4		3165,543
Grant 5		5,080
Grant 6		98,332
Total Revenues	<u>100,880</u>	<u>335,958</u>
EXPENSES		
General Government-Judicial		
Salaries and Related Benefits	713,381	282,728
Operating Services	68,015	9,138
Material and Supplies	18,087	908
Travel, Seminars, Education	12,510	3,201
Contractual Services	22,076	9,838
Capital Outlay and Equipment	15,183	3,808
Total Expenses	<u>835,362</u>	<u>308,503</u>
EXCESS REVENUE OVER EXPENSES	17,518	(724)
FUND BALANCE AT BEGINNING OF YEAR	580,748	128,714
FUND BALANCE AT END OF YEAR	<u>598,266</u>	<u>118,824</u>

The accompanying notes are an integral part of this statement.
STATEMENT B

**TWENTY-SECOND JUDICIAL DISTRICT
INDEPENDENT DEFENDER BOARD**

Parishes of Washington and St. Tammany, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget
(Non-GAAP Basis) and Actual
For the Year Ended December 31, 1997

	BUDGET	ACTUAL	VARIANCE EXPENDABLE (UNFAVORABLE)
REVENUES			
Court Costs on Files & Proceedings	\$708,421	\$688,890	(\$19,531)
Probation Fees	58,734	65,075	11,341
Interest Earned	5,862	11,874	2,382
22nd Judicial District Child Support Fund	38,080	38,008	0
Miscellaneous	0	675	675
Mail Rental Fees	34,342	68,180	34,838
Total Revenues	\$845,439	\$876,696	(\$31,743)
EXPENDITURES			
Salaries	570,326	588,448	(17,922)
Payroll Taxes	44,801	43,988	7,987
Office Supplies	9,808	10,057	(1,087)
Investigative Services	10,808	4,172	5,636
Postage	2,000	1,813	487
Bank Charge	280	18	352
Insurance	82,000	84,210	(\$2,210)
Law Library	5,000	7,504	498
Books and Subscriptions	3,000	518	2,482
Furniture and Equipment	15,000	18,800	(900)
Computer Programming and Software	2,000	5,498	(3,498)
Accounting and Legal	4,000	7,118	(\$3,118)
Attorney Fees (Conflict)	75,000	75,268	(\$268)
Ford-Franklin	4,000	4,000	0
Unions-Franklin	1,300	1,576	(\$276)
Rent-Covington	3,500	3,318	182
Utilities-Covington	5,000	5,458	548
Repairs and Maintenance	2,400	276	2,225
Maintenance Contract	2,200	1,883	317
Telephone	10,000	11,454	(\$1,454)
Training/Conferences	5,000	4,088	4,054
Travel	10,000	8,121	819
Miscellaneous	0	582	(582)
Total Expenditures	787,337	806,283	(\$18,946)
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	47,812	39,834	78,948
FUND BALANCE AT BEGINNING OF YEAR	287,298	306,348	(\$19,050)
FUND BALANCE AT END OF YEAR	\$364,774	\$346,818	(\$17,956)

The accompanying notes are an integral part of this statement.
STATEMENT C

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Parishes of Washington and
St. Tammany, Louisiana**

*Notes to the Financial Statements
As of and for the Year Ended December 31, 1997*

INTRODUCTION

The Twenty-Second 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 level. The judicial district encompasses the parishes of Washington and St. Tammany, Louisiana. The board is composed of five members who are appointed by the district court. The 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. As provided by the board, there were 4266 cases opened and 1129 cases concluded during the year ended December 31, 1997. The board has 32 employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Twenty-Second 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 acceptable standard-setting body for established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

For financial reporting purposes, in conformance with GASB Codification Section 2100, 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 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 autonomously from the State of Louisiana and independently from the district court system. Therefore, the board reports as an independent reporting entity, and the financial statements include only the transactions of the Twenty-Second Judicial District Indigent Defender Board.

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

Parishes of Washington and
St. Tammany, Louisiana

Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING

The board uses a fund (General Fund) to report the Board's financial position and the results of its operations. A Grant Fund reports cash balances and receipts and expenditures for grant monies. 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.

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 on fines and forfeitures imposed by the district and city courts are recorded in the year they are collected by the tax collector. Fees from indigents are recorded when received. Interest income is accrued when earned. All other revenues and grants are recorded when received.

Expenditures

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

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 a cash basis of accounting for revenues and modified accrual basis of accounting for expenditures.

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

Parishes of Washington and
St. Tammany, Louisiana

Notes to the Financial Statements (Continued)

This budget was integrated into the accounting records and employed as a management control device. The budget was legally adopted on December 12, 1999. 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.

The amounts reflected as excess of revenues and expenditures on Statement B are reconciled to the amounts reflected on budget comparison, Statement C, as follows:

Excess of expenditures over revenues - Statement B	\$ 27,295
Add - prior-year receivables	66,045
Add - current year payables	2,779
Add - accruals	33,485
Less - current-year receivables	(196,544)
Less - current year prepaids	(7,995)
Less - prior year payables	(2,029)
Excess of expenditures over revenues - Statement C	\$ (23,524)

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's law and national banks having their principal offices in Louisiana.

G. ACCOUNTS 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 entire amount is treated as a deferred revenue. These fees will be included in revenue when collected. Collection is assured for receivables for court costs on fines and forfeitures, and bail bond fees; these fees are recognized as revenue.

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**
Parishes of Washington and
St. Tammany, Louisiana
Notes to the Financial Statements (Continued)

H. GRANTS

All grants are reported as Grant Funds, cash balances on the balance sheet, and on the statement of Revenues, Expenditures, and changes in Fund balance. Grant funds are reported on a GAAP basis.

**I. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

The general fixed assets of the indigent defender board are recorded as expenditures at the time of purchase. The fixed assets are recorded at historical cost. No depreciation has been provided on general fixed assets.

This account group is not a fund. It is concerned only with measurement of financial position, not with measurement of results of operations.

There are no long-term obligations at December 31, 1997.

J. COMPENSATED ABSENCES

The indigent defender board has 15 employees who 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 vacation days over 30 must be used in the current year or will be lost at year end.

K. TOTAL COLUMN ON BALANCE SHEET

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

TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
 Parishes of Washington and
 St. Tammany, Louisiana
 Notes to the Financial Statements (Continued)

2. CASH

At December 31, 1997 the board has cash totaling \$739,129, in demand deposits which \$119,626 is restricted Grant Fund. 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 or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the district has \$790,700.06 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance of \$100,000.00 and pledged securities with fair market value of \$ 730,399.22, held by the banks against FNBB, Baton Rouge, LA, on December 31, 1997.

3. RECEIVABLES

The following is a summary of receivables at December 31, 1997.

Probation fees (condition of probation)	\$448,873
Less allowance for uncollectible accounts	(378,155)
Not probation	72,768
Court costs - fines and forfeitures	84,456
Interest	500
Bail bond fees	12,087
 Total	 \$108,615

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

Parishes of Washington and
St. Tammany, Louisiana
Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Balance, January 1, 1997	\$ 86,276
Add: Pentium Computer	
Novell Upgrades	
8 Pentium Upgrades	
Fax Machine	13,683
Less: Items scrapped in 1997	(5,263)
Balance, December 31, 1997	\$ 94,696

The board has established a policy to record only fixed assets costing \$200 and over. A Lanier copier lease-purchase agreement with payments of \$4,408.44 was recorded in general fund for 1997. The remaining 37 monthly payments total \$13,562.00. The total lease financing charge is \$8,625.00. The fixed asset fund recorded the \$17,947.00 actual cost in 1996.

5. PENSION PLAN

Employees of the indigent defender board participate in the federal Social Security System. The indigent defender board is required to remit an amount to the Social Security Administration equal to the employee's contribution. The indigent defender board does not guarantee the benefits granted by the system.

6. LITIGATION AND CLAIMS

The only litigation or claim pending against the Twenty-Second Judicial District Indigent Defender Board as of June 30, 1998 was filed by Robert Earl Walker for \$100,000 on October 18, 1995 in 23rd Judicial District Court # 93-12903-D. Exception filed but no further action taken.

**TWENTY-SECOND JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

Parishes of Washington and

St. Tammany, Louisiana

Notes to the Financial Statements (Continued)

7. GRANTS FROM STATE OF LOUISIANA

The board has received six grants for the Louisiana Indigent Defender Board (LIDB). The funds from these grants are excluded from the general fund and shown as grant fund in the financial statements.

Grant No. 1 provided funds for attorney unit support costs, defraying expert witness/testing costs, and defraying costs of LIDB-approved CLE and training programs. The board has received \$75,671.00 in 1995 of which \$28,412.21 was expended during 1995, and \$42,445.90 in 1996, and \$71,112.60 in 1997.

Grant No. 2 provided funds for raising attorney salaries and providing attorney unit support costs. In 1995, \$31,700.00 was received, no funds were expended in 1995 and \$24,597.21 was expended in 1996, and \$2,570.00 expended in 1997.

Grant No. 3 provided funds of \$30,234.00 in 1995 and \$90,702.00 in 1996 for hiring/retaining additional attorneys, raising conflict panel attorney salaries, defraying expert witness/testing costs, and defraying costs of LIDB approved CLE and training programs. No funds were expended in 1995, and \$65,141.34 was expended in 1996, and \$21,594.00 was expended in 1997.

Grant No. 4 provided funds for hiring/retaining additional attorneys, raising attorney salaries, attorney unit support costs, expert witness/testing costs, and LIDB approved CLE and training programs. Funds of \$55,191.00 were received in 1996 and \$103,542 in 1997, of which \$509377.33 were expended in 1996 and \$192,799.38 were expended in 1997.

Grant No. 5 provided funds for a Criminal Case Management System. Funds received in 1997 were \$5,000.00. Funds expended in 1997 were \$4,999.00.

Grant No. 6 provided funds for hiring/retaining additional attorneys, raising attorney salaries, attorney unit costs, expert witness/testing costs and LIDB approved CLE and training programs. Funds received in 1997, \$56,333.00, and no funds were expended in 1997.