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**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BERNARD, CLAYBORNE AND JACKSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND
FOR THE YEAR ENDED DECEMBER 31, 1997**

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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 10 1998

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SECOND JUDICIAL DISTRICT INDIJENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLATBORNE AND JACKSON, LOUISIANA

General Purpose Financial Statements
As of and For the Year Ended December 31, 1997

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INDEPENDENT AUDITORS' REPORT

To the Members of the Second Judicial
District Indigent Defender Board
Bossieres, Louisiana

We have audited the accompanying general purpose financial statements of the Second Judicial District Indigent Defender Board, parishes of Bienville, Calcasieu, and Jackson Louisiana, as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of the Second Judicial District Indigent Defender Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Second Judicial District Indigent Defender Board of Louisiana as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 4, 1998, on our consideration of the Second Judicial District Indigent Defender Board of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Kenneth D. Foiden & Co.
Certified Public Accountants

Bossieres, Louisiana
May 4, 1998

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAYBORNE AND JACKSON, LOUISIANA**

ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1997

	ACCOUNT GROUP		TOTAL (MEMORANDUM)
	GOVERNMENT FUND TYPE - GENERAL FUND	GENERAL FIXED ASSETS	
ASSETS			
Cash	\$151,485		\$151,485
Receivable	3,981		3,981
Equipment		15,638	15,638
TOTAL ASSETS	<u>\$157,967</u>	<u>\$15,638</u>	<u>\$173,607</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	7,588		7,588
Total liabilities	<u>7,588</u>	NONE	<u>7,588</u>
Fund equity:			
Investment in general fixed assets		15,638	15,638
Fund balance - unreserved - undesignated	149,967		149,967
Total fund equity	<u>149,967</u>	<u>15,638</u>	<u>165,507</u>
TOTAL LIABILITIES AND FUND	<u>\$157,967</u>	<u>\$15,638</u>	<u>\$173,607</u>

The accompanying notes are an integral part of this statement.

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BEHNVILLE, CLAIRBORNE AND JACKSON, LOUISIANA
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, 1997**

	BUDGET	ACTUAL	VARIANCE (FAVORABLE OR UNFAVORABLE)
REVENUES			
Court costs on fines and forfeitures	\$149,400	\$169,797	\$11,397
State grants	40,000	43,077	3,077
Fees from indigents	600	1,055	455
Appearance bond rebates	7,100	16,500	9,400
Interest revenue	4,000	6,175	2,175
Total revenues	201,100	236,604	35,504
EXPENDITURES			
Association dues	700		700
Contracted legal services	180,000	184,876	4,876
Professional services	21,000	5,041	16,000
Seminars	2,000	1,100	800
Travel	475		475
Office	2,100	2,773	673
Miscellaneous	100	35	125
Capital outlay	11,000	15,000	4,000
Total expenditures	218,575	208,774	10,000
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(16,305)	18,183	34,718
FUND BALANCE AT BEGINNING OF YEAR	126,433	121,794	5,581
FUND BALANCE AT END OF YEAR	109,998	\$149,967	39,969

The accompanying notes are an integral part of this statement.

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIRBORNE AND JACKSON, LOUISIANA**

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

INTRODUCTION

The Second Judicial District Indigent Defender Board is 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 Bienville, Clairborne and Jackson, Louisiana. The board at present has four members who serve without compensation. Each bar association from the representative parishes nominates members for selection to the board. The judges of the District then appoint board members from the nominations. The board has no employees, but does retain an attorney to act as chief indigent defender to administer the operations of the board. This attorney is paid a monthly retainer and is accountable to the board. The board has no employees; all legal services are on a contract basis.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the 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 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 the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Second Judicial District Indigent Defender Board includes all funds, account groups, or entities, that are within the oversight responsibility of the Indigent Defender Board. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on the consideration of the foregoing criteria, the Second Judicial District Indigent Defender Board is deemed to be a separate reporting entity. Certain units of local government over which the Indigent Defender Board exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Indigent Defender Board.

C. FUND ACCOUNTING

The Indigent Defender Board uses fund accounting 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.

The sole fund of the Indigent Defender Board is classified as a governmental fund. A description of governmental funds and the fund type utilized by the Indigent Defender Board follows.

**SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF HENRIEVE, CLAIBORNE AND JACKSON, LOUISIANA**

Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUND TYPES

Governmental funds account for an agency's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. The Governmental fund of the Indigent Defender Board is a

General Fund

The general operating fund which accounts for all financial resources, except those required to be accounted for in other funds. All resources of the Second Judicial District Indigent Defender Board are accounted for in the General Fund.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. 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 courts. Substantially all other revenues are recorded when received.

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

E. BUDGETARY PRACTICES

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The board must meet and approve all budget changes or amendments. At year-end all appropriations lapse. Budget amounts are as originally adopted.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Indigent Defender Board.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. Under state law, the Board 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.

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 PARISHES OF BIENVILLE, CLATBORNE AND JACKSON, LOUISIANA
 Notes to the Financial Statements (Continued)

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

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. At December 31, 1997, the Second Judicial District Indigent Defender Board had no investments.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

2. CASH

At December 31, 1997, the Indigent Defender Board had cash (book balances) totaling \$153,485 as follows:

Interest-bearing demand deposits	\$52,485
Time deposits	<u>101,000</u>
Total	<u>\$153,485</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the relating 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 accepted by both parties. At December 31, 1997, the Second Judicial District Indigent Defender Board has \$154,150 in deposits (collected bank balances), in two financial institutions. These deposits are secured from risk by \$154,150 of federal deposit insurance.

3. RECEIVABLES

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

Class of Receivable	
Court costs on fines and forfeitures	<u>\$1,981</u>
Total	<u>\$1,981</u>

4. FIXED ASSETS AND LONG TERM OBLIGATIONS

The changes in general fixed assets follow:

	Balance at January 1, 1997	Additions	Deletions	Balance at December 31, 1997
Equipment	\$15,638			\$15,638
Total	<u>15,638</u>			<u>15,638</u>

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

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
Notes to the Financial Statements (Continued)

5. PENSION PLAN AND VACATION AND SICK LEAVE POLICIES

There are no employees of the Second Judicial District Indigent Defender Board. Therefore, the Board does not contribute to a pension plan and does not have formal vacation and sick leave policies.

6. LITIGATION

There is one suit pending against the Board at this time. A former creditor of the Board has filed suit for collection of a past accounts payable in the amount of \$7,508. The Board feels that the time for filing suit has prescribed and therefore this payable is not legally collectible. The Board is awaiting legal determination on the issue of prescription which will be its authority to remove this accounts payable from the financial statements of the Board. An exception of prescription is pending in the lawsuit which has been filed.

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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**

To the Members of the Second Judicial
District Indigent Defender Board
Monroe, Louisiana

We have audited the general purpose financial statements of the Second Judicial District Indigent Defender Board of Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 4, 1998. We conducted our audit in accordance with generally accepted auditing 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 Second Judicial District Indigent Defender Board of Louisiana's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Second Judicial District Indigent Defender Board of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.


Kenneth D. Foltz & Co.
Certified Public Accountants

Monroe, Louisiana
May 4, 1998

SECOND JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
PARISHES OF BIENVILLE, CLAIRBORNE AND JACKSON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Second Judicial District Indigent Defender Board of Louisiana.
2. No reportable conditions relating to the audit of the financial statement are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instance of noncompliance material to the financial statements of the Second Judicial District Indigent Defender Board of Louisiana was disclosed during the audit.
4. The Second Judicial District Indigent Defender Board of Louisiana had no federal award programs.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There are no findings for the year ended December 31, 1997. Also, there were no findings in the prior audit.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

The Second Judicial District Indigent Defender Board of Louisiana had no major federal award programs.