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

Release Date 7-14-99

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

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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, 1998, 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, 1998, 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 June 25, 1999, 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. Windham, CPA
DeRidder, Louisiana
June 25, 1999

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, 1998

ASSETS

Cash	\$119,315
Revenues receivable - court costs on fines and forfeitures	<u>18,081</u>
Total assets	<u>\$137,396</u>

LIABILITIES AND FUND EQUITY

Liabilities:	
Accounts payable	\$ 15,220
Fund Equity:	
Fund balance - unreserved - undesignated	<u>122,176</u>
Total liabilities and fund equity	<u>\$137,396</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, 1998

REVENUES

District court fees	\$163,371
Intergovernmental revenues:	
State grant	14,000
Interest income	4,454
Other revenues-bonding fees	<u>16,238</u>
Total revenues	<u>\$198,063</u>

EXPENDITURES

General government-judicial:	
Contract labor	\$ 1,800
Attorneys fees	175,000
Legal and accounting	1,500
Office expense	<u>2,334</u>
Total expenditures	<u>\$180,634</u>

EXCESS OF REVENUES OVER
EXPENDITURES

\$ 17,429

FUND BALANCE AT BEGINNING OF
YEAR

\$104,747

FUND BALANCE AT END OF YEAR

\$122,176

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, 1998

<u>REVENUES</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
District court fees	\$160,300	\$163,371	\$ 3,071
State grant	14,000	14,000	---
Interest income	3,500	4,454	954
Other revenues-bonding fees	<u>15,000</u>	<u>16,238</u>	<u>1,238</u>
Total revenues	<u>\$192,800</u>	<u>\$198,063</u>	<u>\$ 5,263</u>
 <u>EXPENDITURES</u>			
General government-judicial:			
Contract labor	\$ 1,800	\$ 1,800	\$ ---
Attorney fees	175,000	175,000	---
Legal and accounting	1,500	1,500	---
Office expense	<u>500</u>	<u>2,334</u>	<u>(1,834)</u>
Total expenditures	<u>\$178,800</u>	<u>\$180,634</u>	<u>\$ (1,834)</u>
 <u>EXCESS OF REVENUES OVER EXPENDITURES</u>			
	<u>\$ 14,000</u>	<u>\$ 17,429</u>	<u>\$ 3,429</u>
 <u>FUND BALANCES AT BEGINNING OF YEAR</u>			
	<u>\$104,747</u>	<u>\$104,747</u>	<u>\$ ---</u>
 <u>FUND BALANCES AT END OF YEAR</u>			
	<u>\$118,747</u>	<u>\$122,176</u>	<u>\$ 3,429</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, 1998

INTRODUCTION

The Thirty-Sixth 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.

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, 1998

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, 1998

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, 1998

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, 1998, the board has cash and cash equivalents (book balances) totaling \$119,315 as follows:

Interest-bearing demand deposits	\$ 56,666
Certificates of Deposit	<u>62,649</u>
Total	<u>\$119,315</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, 1998, the district has \$119,315 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$19,315 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial banks to advertise and sell pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1998

(3) RECEIVABLES

The following is a summary of reveivables at December 31, 1998:

Court costs	<u>\$ 18,081</u>
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THIRTY-SIXTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
STATE OF LOUISIANA - BEAUREGARD PARISH

SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 1998

Prior Audit Findings

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings.

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

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998

Audit Finding No. 1

Initial occurrence - December 31, 1997

Finding -

The Thirty-Sixth Judicial District Indigent Defender Board had \$102,301 in interest bearing deposits at one financial institution at December 31, 1997. The financial institution did not have any securities pledged and therefore provided only \$100,000 of FDIC coverage for the balances. This left \$2,301 uncollateralized at December 31, 1997 which is a violation of state law

Corrective action taken - Yes

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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, 1998, and have issued my report thereon dated June 25, 1999. 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.

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 for the information of the Thirty-Sixth Judicial District Indigent Defender Board's management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

John A. Windham, CPA
DeRidder, Louisiana
June 25, 1999