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**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

FINANCIAL REPORT

DECEMBER 31, 1998

AND THE TWO YEARS ENDED DECEMBER 31, 1998 AND 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 ~~August 28, 1998~~
1998 7 8 1000

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

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(504) 362-2544 FAX (504) 362-2663

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the Board of
Twenty-Fifth Judicial District Indigent Defender Board

We have audited the accompanying general purpose financial statements of the Twenty-Fifth Judicial District Indigent Defender Board a component unit of Plaquemines Parish Government as of December 31, 1998, and for the years ended December 31, 1998 and 1997. These general purpose financial statements are the responsibility of the Twenty-Fifth Judicial District Indigent Defender Board 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. Those 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 general purpose 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 in the first paragraph present fairly, in all material respects, the financial position of the Twenty-Fifth Judicial District Indigent Defender Board as of December 31, 1998, and the results of its operations for the years ended December 31, 1998 and 1997 in conformity with generally accepted accounting principles.



Edward L. Camnetar, Jr., CPA
A Professional Accounting Corporation

Gretna, Louisiana
June 25, 1999

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

**GOVERNMENTAL FUND TYPE
GENERAL FUND**

**BALANCE SHEET
DECEMBER 31, 1998**

ASSETS

Cash and cash equivalents	\$ 132,762
Revenues receivable, fines and forfeitures	<u>13,395</u>

TOTAL ASSETS \$ 146,157

LIABILITIES AND FUND EQUITY

LIABILITIES

Due to Plaquemines Parish Government	\$ 21,187
Accounts payable	<u>155</u>

TOTAL LIABILITIES 21,342

FUND EQUITY (DEFICIT)

Fund balance unreserved, undesignated	<u>124,815</u>
---------------------------------------	----------------

TOTAL LIABILITIES AND FUND EQUITY \$ 146,157

The accompanying notes are an integral part of this statement

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

**GOVERNMENTAL FUND TYPE
GENERAL FUND**

**YEARS ENDED DECEMBER 31, 1998
AND DECEMBER 31, 1997**

	<u>1998</u>	<u>1997</u>
REVENUES		
Court costs on fines and forfeitures	\$ 93,083	\$ 96,695
Bail bond fees	7,335	11,867
Indigent retainage fees	38,451	30,586
Investment income	7,431	7,506
Intergovernmental	<u>-</u>	<u>18,906</u>
TOTAL REVENUES	146,300	165,560
 EXPENDITURES		
Personnel costs	118,247	115,339
Court costs	4,524	43,167
Office expenses	<u>-</u>	<u>3,601</u>
TOTAL EXPENDITURES	<u>122,771</u>	<u>162,107</u>
 EXCESS OF REVENUES OVER EXPENDITURES	23,529	3,453
 FUND BALANCE		
AT BEGINNING OF YEAR	<u>101,286</u>	<u>97,833</u>
AT END OF YEAR	\$ <u><u>124,815</u></u>	\$ <u><u>101,286</u></u>

The accompanying notes are an integral part of this statement.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARISON ACTUAL TO BUDGET**

**GOVERNMENTAL FUND TYPE
GENERAL FUND**

YEAR ENDED DECEMBER 31, 1998

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE (UNFAVORABLE) FAVORABLE</u>
REVENUES			
Court costs and indigent retainage fees	\$ 131,534	\$ -	\$ -
Bail bond fees	7,335	-	-
Investment income	7,431	-	-
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	146,300	140,150	6,150
EXPENDITURES			
Personnel costs	118,247	121,400	3,153
Court costs	4,524	15,200	10,676
Office expenses	<u>-</u>	<u>3,550</u>	<u>3,550</u>
TOTAL EXPENDITURES	<u>122,771</u>	<u>140,150</u>	<u>17,379</u>
EXCESS OF REVENUES OVER EXPENDITURES	23,529	-	23,529
FUND BALANCE			
AT BEGINNING OF YEAR	<u>101,286</u>		
AT END OF YEAR	\$ <u><u>124,815</u></u>		

The accompanying notes are an integral part of this statement.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARISON ACTUAL TO BUDGET**

**GOVERNMENTAL FUND TYPE
GENERAL FUND**

YEAR ENDED DECEMBER 31, 1997

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE (UNFAVORABLE) FAVORABLE</u>
REVENUES			
Court costs and indigent retainage fees	\$ 127,281	\$ -	\$ -
Bail bond fees	11,867		
Investment income	7,506	-	-
Intergovernmental	<u>18,906</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	165,560	127,900	37,660
EXPENDITURES			
Personnel costs	115,339	109,150	(6,189)
Court costs	43,167	15,200	(27,967)
Office expenses	<u>3,601</u>	<u>3,550</u>	<u>(51)</u>
TOTAL EXPENDITURES	<u>162,107</u>	<u>127,900</u>	<u>(34,207)</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,453	-	3,453
FUND BALANCE			
AT BEGINNING OF YEAR	<u>97,833</u>		
AT END OF YEAR	<u>\$ <u>101,286</u></u>		

The accompanying notes are an integral part of this statement.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Twenty Fifth Judicial District Indigent Defender Board was established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel to represent indigents in criminal and quasi-criminal cases on the district court level. The Board consists of three members who are appointed by the district court for life. Board members serve without compensation. Revenues to finance the Board's operations are primarily provided from court costs and fines imposed by the various courts within the district. In addition, the Board receives operating grants from the Plaquemines Parish Government and has four employees.

1. Basis of Presentation

The accounts of the Indigent Defender Board are organized and operated on a fund basis. The Board has only a General Fund in which a self-balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues and expenditures.

2. Financial Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Plaquemines Parish Government is the financial reporting entity for Plaquemines Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Plaquemines Parish Government 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Government to impose its will on that organization and/or

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Government.
 2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent on the Plaquemines Government.
 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.

Because the Parish Government provides significant funding and operational support, the Twenty-Fifth Judicial District Indigent Defender Board, was determined to be a component unit of the Plaquemines Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Indigent Defender Board and do not present information on the Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

3. Basis of Accounting

The General Fund of the Board is accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available. Expenditures are generally recognized when the related fund liability is incurred.

4. Budget and Budgetary Accounting

Annually, the Indigent Defender Board adopts a budget for the General Fund. The budget is prepared on a modified accrual basis of accounting. Budgeted amounts, included in the accompanying financial statements, include the original adopted budget and all subsequent amendments. Budgeted amounts include beginning fund balance. Appropriations lapse at year end, and the Board does not use a system of encumbrance accounting.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Valuation Basis of Assets

- a. Cash and cash equivalents. Louisiana revised statutes authorize the Board to invest in United States Bonds, treasury notes, certificates of deposit, or any other federally insured investment. At year end, the carrying amount of the Board's cash was \$161,260 and the bank balance was \$161,260. \$100,000 of the bank balance is insured by federal depository insurance and \$61,260 is covered by pledged investment securities as required by Louisiana revised statutes.

6. Fixed Assets and Long-Term Debt

The Board has no fixed assets or long-term debt as of December 31, 1998.

NOTE B - VACATION AND SICK LEAVE

The Indigent Defender Board has one full time and three part-time employees. The full time employee receives two weeks paid vacation and twelve days sick leave annually. Vacation and sick leave must be used in the year earned or it will be forfeited.

NOTE C - PENSION PLAN

The Board's only full time employee is a member of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the Parish are members of Plan A.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1998

NOTE C - PENSION PLAN (Continued)

All permanent employees working at least 28 hours per week and who are paid wholly or in part from Board funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental-plan-only prior to January 1, 1980, the benefit is equal to one percent of final-average salary, plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary, and the parish is required to contribute at an actuarially determined rate. The current rate is 7.25 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Parish are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Board's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$1,563, \$1,251 and \$1,196, respectively, equal to the required contributions for each year.

NOTE D - CONTINGENCIES

As of December 31, 1998, there were no pending or threatened litigation against the Board.

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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**

Chairman and Members of the Board of
Twenty Fifth Judicial District Indigent Defender Board

We have audited the general purpose financial statements of the Twenty Fifth Judicial District Indigent Defender Board as of December 31, 1998 and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 25, 1999. We conducted our 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 Twenty Fifth Judicial District Indigent Defender Board's general purpose 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 instances of noncompliance that are required to be reports under Government Auditing Standards which are described in the accompanying schedule of findings as Finding 1998-1

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twenty Fifth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we

consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Twenty Fifth 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. Reportable conditions are described in the accompanying schedule of findings as Findings 1998-1 and 1998-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the members of the Twenty Fifth Judicial District Indigent Defender Board's management, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.


Edward L. Camentar, Jr., CPA

Gretna, Louisiana
June 25, 1999

**TWENTY FIFTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

We have audited the general purpose financial statements of the Twenty Fifth Judicial District Indigent Defender Board as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 24, 1999. We conducted our 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 statements as of December 31, 1998 and 1997 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section II Financial Statement Findings

A - Issues of Noncompliance

Finding 1998-1 Budgetary Control - Noncompliance LA Revised Statutes 39:1310. The Management of the Twenty Fifth Judicial District Indigent Defender Board is required under LRS 39:1310 to monitor its operation during the fiscal year in relation to its legally adopted budget and to advise its board when total expenditures and other uses plus projected expenditures and other uses exceed total budgeted expenditures and other uses by five percent or more. Total expenditures for 1997 exceeded budgeted expenditures by 27%.

Managements Response

In a letter dated June 25, 1999, Mr. George Pivach, Chairman of the Board indicated that the budget overspending was directly related to a highly publicized murder trial which generated unusual legal expenses and fees for outside consultants and that these expenses would not be duplicated in subsequent periods. Mr. Pivach also indicates that the board will more closely monitor spending in subsequent periods.

B - Reportable Conditions

Finding 1998-2 Budgetary Control - The board does not submit its legally adopted budget to the Plaquemines Parish Finance Department for comparison of budgeted versus actual expenditures during the year to identify potential problem areas during the fiscal year.

Management's Response

In a letter dated June 25, 1999, Mr. George Pivach, Chairman of the Board, indicated he would contact the Plaquemines Parish Finance Director to request inclusion of the Board's budget in interim financial statements prepared by the Parish for the Board.

Finding 1998-3 Control Over Collections - The Board's secretary collects payments from indigents for their assessed legal fees. There is no system in place to effectively monitor these collections which is sometimes made in cash or to effectively monitor the balances in any individual indigents' accounts.

Management's Response

In a letter dated June 25, 1999, Mr. George Pivach, Chairman of the Board, indicated he would inquire into availability of computerized collection systems.

**TWENTY FIFTH JUDICIAL DISTRICT INDIGENT DEFENDER
BOARD
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

INTERNAL CONTROL AND COMPLIANCE

See Findings 1998-1, 1998-2 and 1998-3 in the "Schedule of Findings" on pages 12 and 13 of this report for details of management's corrective action plan.

**Twenty Fifth Judicial District Indigent Defender Board
P O Box 136
Pointe-a-la-Hache, LA 70082-0136**

June 25, 1999

Mr. Daniel G. Kyle, CPA, CFC
Secretary
Legislative Audit Advisory Council
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

The following outlines the action to be taken by the Twenty Fifth Judicial District Indigent Defender Board regarding the findings in the "Schedule of Findings" submitted to you by our auditor, Mr. Edward L. Camnetar Jr., CPA, in his report dated June 25, 1999.

Finding 1998-1 Budgetary Control

The board recognizes the error as an isolated situation due to unusually high expenses for legal expenses and fees paid to outside attorneys and consultants as a result of a highly publicized murder trial and will, in the future, pay closer attention to the budget when a similar situation occurs.

Finding 1998-2 Budgetary Control

The board recognizes the problem and will contact the Plaquemines Parish Finance Director to request that future budgets be implemented into the board's financial reports for monitoring purposes.

Finding 1998-3 Control Over Collections

The board recognizes the problem and will investigate available options to implement a computerized cash receipts system.


George Pivach, Chairman