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TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND
St. Charles Parish, Louisiana

Annual Financial Report
Year Ended December 31, 2003

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 8-4-04

Table of Contents

| | |
|---|-------|
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 2-7 |
| INDEPENDENT AUDITOR'S REPORT | 8-9 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| Statement of net assets | 10 |
| Statement of activities | 11 |
| FUND FINANCIAL STATEMENTS | |
| Balance sheet - governmental funds | 12 |
| Statement of revenues, expenditures, and changes in fund balance - governmental funds | 13 |
| Notes to basic financial statements | 14-20 |
| SUPPLEMENTAL INFORMATION | |
| Schedule of revenue, expenditures, and changes in fund balance-budget and actual - governmental fund | 21 |
| Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 22-23 |
| Schedule of Current and Prior Year Audit findings and Corrective Action Plan | 24 |

**TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

Within this section of the annual financial report of the Indigent Defender Board's Fund of the Twenty - Ninth Judicial District of St. Charles Parish, the Indigent Defender Board's Fund's management provides this narrative discussion and analysis of the financial activities of the Indigent Defender Board's Fund for the year ended December 31, 2003. The Indigent Defender Board's Fund's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Indigent Defender Board's Fund's assets exceeded it's liabilities by \$231,774 (net assets) for the year reported.

Total net assets are comprised of the following:

- Unrestricted net assets of \$231,774 represent the portion available to maintain the Indigent Defender Board's Fund's continuing obligations to citizens and creditors

The Indigent Defender Board's Fund's General Fund reported total ending unreserved/undesignated fund balance of \$231,774 this year. This compares to the prior year ending unreserved/undesignated fund balance of \$313,458 showing a decrease of \$81,684 during the current year.

Since the Twenty-Ninth Judicial District Indigent Defender Board's Fund owns no capital assets and has no debt outstanding, the total Fund Balance is the same as its Net Assets.

The above financial highlights are explained in more detail in the following sections of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Indigent Defender Board's Fund's basic financial statements. The basic financial statements include: (1) government - wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Indigent Defender Board's Fund also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2004.

**TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

GOVERNMENT - WIDE FINANCIAL STATEMENTS

The Indigent Defender Board's Fund's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Indigent Defender Board's Fund's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Indigent Defender Board's Fund's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Indigent Defender Board's Fund as a whole is improving or deteriorating. Evaluation of the overall health of the Indigent Defender Board's Fund would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Indigent Defender Board's Fund's net assets changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Indigent Defender Board's Fund's distinct activities or functions on revenues provided by the Parish and the State of Louisiana.

The government-wide financial statements present governmental activities of the Indigent Defender Board's Fund that are principally supported by intergovernmental revenues. The sole purpose of these governmental activities is judicial.

The government-wide financial statements are presented on pages 10 and 11 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Indigent Defender Board's Fund uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Indigent Defender Board's Fund's most significant funds rather than the Indigent Defender Board's Fund as a whole.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis

The Indigent Defender Board's Fund has only governmental funds.

Governmental funds are reported in the fund financial statements and encompasses the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Indigent Defender Board's Fund's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 12-13 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 14 of this report.

FINANCIAL ANALYSIS OF THE INDIGENT DEFENDER BOARD'S FUND AS A WHOLE

The Indigent Defender Board's Fund implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Indigent Defender Board's Fund as a whole.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis

The Indigent Defender Board's Fund's net assets at year-end are \$231,774. The following table provides a summary of the Indigent Defender Board's Fund's net assets:

Summary of Net Assets

| | <u>Governmental Activities</u> |
|------------------------------------|------------------------------------|
| Assets: | |
| Cash and cash equivalents | \$ 217,005 |
| Receivables from other governments | <u>14,769</u> |
| Total assets | <u>231,774</u> |
| Liabilities: | |
| Current liabilities | <u>-0-</u> |
| Total liabilities | <u>-0-</u> |
| Net assets: | |
| Unrestricted | <u>231,774</u> |
| Total net assets | \$ <u>231,774</u> |

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis

The following table provides a summary of the Indigent Defender Board's Fund changes in net assets:

Summary of Changes in Net assets

| | <u>Governmental Activities</u> |
|---------------------------------|------------------------------------|
| Revenues: | |
| Program: | |
| Fees and Fines | \$ 381,443 |
| Operating grants | 10,246 |
| General: | |
| Interest | <u>3,096</u> |
| Total revenues | <u>394,785</u> |
| Program expenses: | |
| Judicial | 476,671 |
| Miscellaneous | <u>-0-</u> |
| Total expenses | <u>476,671</u> |
| Change in net assets (Decrease) | (81,886) |
| Beginning net assets | <u>313,660</u> |
| Ending net assets | \$ <u>231,774</u> |

GOVERNMENTAL REVENUES

The Indigent Defender Board's Fund is reliant on fee and fine collections from St. Charles Parish and the State of Louisiana to support its operations. Unlike many other agencies, the Indigent Defender Board's Fund receives no property tax or sales tax revenue. The Indigent Defender Board's Fund's financial position has enabled it to earn \$3,096 in interest to support governmental activities.

**TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND**

St. Charles Parish, Louisiana

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE INDIGENT DEFENDER BOARD'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds had an ending fund balance of \$231,774, all of which is unreserved and undesignated indicating availability for continuing the Indigent Defender Board's Fund's activities.

ADDITIONAL INFORMATION

During the year ended December 31, 2003, 764 new cases were handled by the Twenty-Ninth Judicial District Indigent Defender Board. Of these, there were 477 felonies, 111 misdemeanors, 18 traffic cases, 123 juvenile, 35 other cases, and no capital cases.

CONTACTING THE INDIGENT DEFENDER BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Indigent Defender Board's Fund finances, comply with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Victor E. Bradley, Jr., Chief, Twenty-Ninth Judicial District Indigent Defender Board, P. O. Box 188, Norco, Louisiana 70079-0188. Phone - (985) 764-2338

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**MEMBERS
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS**

To The Board of Directors
Twenty-Ninth Judicial District
Indigent Defender Board's Fund
Hahnville, Louisiana

We have audited the accompanying basic financial statements of the Twenty-Ninth Judicial District Indigent Defender Board's Fund as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the management of the Twenty-Ninth Judicial District Indigent Defender Board's Fund. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. 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 basic 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Twenty-Ninth Judicial District Indigent Defender Board's Fund as of December 31, 2003, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the Twenty-Ninth Judicial District Indigent Defender Board's Fund implemented a new financial reporting model, as required by the provision of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and local Governments, as of June 30, 2003. The managements discussion and analysis information on pages 2 through 7 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2004, on our consideration of the Twenty-Ninth Judicial District Indigent Defender Board's Fund internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Uzee, Butler, Arceneux + Bowes

Harvey Louisiana

June 28, 2004

GOVERNMENT - WIDE FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Statement of Net Assets
Year Ended December 31, 2003

| | <u>Governmental Activities</u> |
|------------------------------------|--------------------------------|
| Assets | |
| Current Assets | |
| Cash and cash equivalents | \$ 217,005 |
| Receivables from other governments | <u>14,769</u> |
| <u>Total assets</u> | <u>231,774</u> |
| Liabilities | |
| Current Liabilities | |
| Accounts payable | <u>-0-</u> |
| <u>Total liabilities</u> | <u>-0-</u> |
| Net Assets | |
| Unrestricted | 231,774 |
| <u>Total net assets</u> | \$ <u>231,774</u> |

The accompanying notes are an integral part of these basic financial statements.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Statement of Activities
Year Ended December 31, 2003

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net Revenue</u> |
|--------------------------------------|-------------------|-------------------------|----------------------|--------------------|
| | | <u>Fees and</u> | <u>Operating</u> | <u>(Expense)</u> |
| | | <u>Fines</u> | <u>Grants and</u> | |
| Functions and Programs | | | <u>Contributions</u> | |
| Governmental Activities | | | | |
| Judicial | \$ <u>476,671</u> | <u>381,443</u> | <u>10,246</u> | \$ <u>(84,982)</u> |
| <u>Total governmental activities</u> | <u>476,671</u> | <u>381,443</u> | <u>10,246</u> | <u>(84,982)</u> |
| | | | | |
| | | General Revenues | | |
| | | | | <u>3,096</u> |
| | | | | <u>3,096</u> |
| | | | | |
| | | | | (81,886) |
| | | | | <u>313,660</u> |
| | | | | <u>\$ 231,774</u> |

The accompanying notes are an integral part of these basic statements.

FUND FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Balance Sheet
Governmental Funds
December 31, 2003

| | <u>General Fund</u> | <u>Special Revenue Fund Defender Assistance Fund</u> | <u>Total (Memo Only)</u> |
|--|-------------------------|--|----------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 217,005 | -0- | \$ 217,005 |
| Receivables from other governments | <u>14,769</u> | <u>-0-</u> | <u>14,769</u> |
| <u>Total assets</u> | <u>231,774</u> | <u>-0-</u> | <u>231,774</u> |
| Liabilities | | | |
| Accounts payable | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>Total liabilities</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Fund Balances | | | |
| Unreserved, reported in general fund | <u>231,774</u> | <u>-0-</u> | <u>231,774</u> |
| <u>Total liabilities and fund balances</u> | <u>\$231,774</u> | <u>-0-</u> | <u>\$ 231,774</u> |

The accompanying notes are an integral part of these basic statements.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2003

| | <u>Governmental Fund Types</u> | | |
|---|--------------------------------|---|----------------------------------|
| | <u>General Fund</u> | <u>Special Revenue Defender Assistance Fund</u> | <u>Total (Memo Only)</u> |
| REVENUES | | | |
| Court costs on fines and forfeitures | \$ 381,443 | \$ -0- | \$ 381,443 |
| Inrergovernmental revenue Louisiana Indigent Defender Board (District Assistance Fund | -0- | 10,246 | 10,246 |
| Interest earnings | <u>3,096</u> | <u>-0-</u> | <u>3,096</u> |
| TOTAL REVENUES | <u>384,539</u> | <u>10,246</u> | <u>394,785</u> |
| EXPENDITURES | | | |
| Administrative and audit fees | 6,350 | -0- | 6,350 |
| Board per diem | 6,386 | -0- | 6,386 |
| Contract attorneys | 425,000 | -0- | 425,000 |
| Investigators and expert fees | 1,175 | 9,446 | 10,621 |
| Office and other expenses | 5,899 | 1,002 | 6,901 |
| Lawsuit settlements | <u>21,413</u> | <u>-0-</u> | <u>21,413</u> |
| TOTAL EXPENDITURES | <u>466,223</u> | <u>10,448</u> | <u>476,671</u> |
| EXCESS OF EXPENDITURES OVER REVENUES | (81,684) | (202) | (81,886) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>313,458</u> | <u>202</u> | <u>313,660</u> |
| FUND BALANCE AT END OF YEAR | \$ <u>231,774</u> | \$ <u>-0-</u> | \$ <u>231,774</u> |

The accompanying notes are an integral part of these basic statements.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements

Introduction

The Twenty-Ninth Judicial District Indigent Defender Board's Fund is established in compliance with Louisiana Revised Statutes 15:144-149 to provide and compensate counsel appointed to represent indigents in criminal cases on the district court level.

As provided by Act 21 of 1982, Louisiana Revised Statutes 13:477(29) and 13:477(40), the electors of the Twenty-Ninth Judicial District Indigent Defender Board's Fund, being the parishes of St. Charles and St. John the Baptist, approved the division of the Twenty-Ninth Judicial District Indigent Defender Board's Fund, effective January 21, 1985, by the establishment of the Fortieth Judicial District Indigent Defender Board's Fund to be composed of St. John the Baptist Parish, with the Twenty-Ninth Judicial District Indigent Defender Board's Fund to continue and be composed of St. Charles Parish.

1) Summary of Significant Accounting Policies

A.) Reporting Entity

For financial reporting purposes, the Twenty - Ninth Judicial District Indigent Defender Board's Fund is considered its own separate financial reporting entity. All funds, activities, etc... controlled by the fund as an independantly established entity are included as a part of this financial reporting body. There are no other component units. The members of the Twenty - Ninth Judicial District Indigent Defender Board's Fund are solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and the receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the Twenty - Ninth Judicial District Indigent Defender Board's Fund.

B.) Basis of Presentation

The accompanying basic financial statements of the Indigent Defender Board's Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34. *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Government-Wide Financial Statements (GWFS)

The Indigent Defender Board's Fund's basic financial statements include both government-wide (reporting the Indigent Defender Board's Fund as a whole) and fund financial statements (reporting the Indigent Defender Board's major funds). All of the Indigent Defender Board's Funds judicial and administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Indigent Defender Board's Fund functions and activities (judicial). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the Indigent Defender Board's Fund as an entity and the change in the Indigent Defender Board's Funds net assets resulting from the current year's activities.

Fund Financial Statements (FFS)

The Indigent Defender Board's Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Indigent Defender Board's Fund encompasses only Governmental Funds, which are described below.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Governmental

General Fund - The General Fund of the Indigent Defender Board's Fund is used to account for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended in accordance with state and federal laws and according to Indigent Defender Board's Fund policy.

Special Revenue Funds - The purpose of a Special Revenue Fund is to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. It accounts for the collection and disbursement of earmarked monies. The District Assistance Fund is the board's only Special Revenue Fund.

The District Assistance fund is a grant-in-aid program intended to supplement financial assistance in felony cases to District Indigent Defender Boards that have a need for this type of funding. This Special Revenue Fund was established in order to separately account for the receipt of monies from the Louisiana Indigent Defender Board and the disbursement of those funds in accordance with the rules of the program.

C.) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Governmental Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Indigent Defender Board's Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Fees are recorded in the month in which they are collected by the Sheriff of St. Charles Parish.

Federal and State grant revenue is recognized when program expenditures are incurred in accordance with program guidelines.

Interest earnings on time deposits are recorded in the year in which it is earned.

Expenditures

The Indigent Defender Board's Fund's primary expenditures are recorded when the liability is incurred. Major expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D.) Budgets

The Board is not required under Louisiana Revised Statutes to have public meetings and adopt a budget. However, for good financial practice, the Executive Director does prepare an annual budget. The budget is reviewed periodically, and is listed under "supplemental information".

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

E.) Cash and cash equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Indigent Defender Board's Fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in state banks, organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

F.) Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Indigent Defender Board's Fund investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

H.) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2) Changes in Accounting Principles

For the year ended December 31, 2003, the Indigent Defender Board's Fund has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Indigent Defender Board's Fund's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Indigent Defender Board's Fund also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, No. 37, *Basic Governments: Omnibus*, No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and*

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At December 31, 2003, there was no effect on fund balance as a result of implementation of GASB Statement No. 33. In addition, because there exists no capitol assets or debt service, the beginning fund balance as of December 31, 2002 of \$313,660 was also not affected.

3) Cash and Cash Equivalents

At December 31, 2003, the Indigent Defender Board's Fund had cash totaling \$2,509 (book balances) invested in demand deposit accounts at various local banks. 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 of deposit with the fiscal agent bank. 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, 2003 the Indigent Defender Board's Fund had \$36,277 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance, and pledged securities held by the custodial bank in the name of the fiscal agent (GASB Category 3).

4) Investments

Investments are categorized into these three categories of risk:

- 1) Insured or registered, or securities held by the Indigent Defender Board's Fund or its agent in the Indigent Defender Board's Fund's name.
- 2) Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent in the Indigent Defender Board's Fund's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the Indigent Defender Board's Fund's name.

Even though the deposits covered by pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Indigent Defender Board's Fund that the fiscal agent has failed to pay deposited funds upon demand.

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements - Continued

As of December 31, 2003, the Indigent Defender Board's Fund had invested in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2003, is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

5) Receivables From Other Governments

Accrued receivables consist of amounts owed for fees and grants at the end of the current period but not remitted until the subsequent period.

6) Pension Plan and Compensated Absences

The Indigent Defender Board's Fund has no employees. Therefore, it does not participate in any pension plan and has no leave policy regarding compensated absences. The drug court program reimburses the District Attorney's office for its director, who is an employee of the District Attorney's office

7) Leases

The Indigent Defender Board's Fund did not have any capital or operating lease commitments as of and for the year ended December 31, 2003.

8) Litigation and Claims

The Indigent Defender Board's Fund is not involved in any litigation and is not aware of any claims outstanding that are not recorded in the financial statements.

During the year ended December 31, 2003 there were two settlement payments made in the amount of \$8,913 and \$12,500 to attorneys who were found by the court to be entitled to additional compensation as a result of handling "capitol" cases by the Indigent Defender Board.

SUPPLEMENTAL INFORMATION

TWENTY - NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2003

| REVENUES | Budgeted Amounts | | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-----------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Court costs on fines and forfeitures | \$ 417,600 | \$ 417,600 | \$ 381,443 | \$ (36,157) |
| Intergovernmental revenue Louisiana Indigent Defender Board (District Assistance Fund) | 10,000 | 10,000 | 10,246 | 246 |
| Interest earnings | <u>6,000</u> | <u>6,000</u> | <u>3,096</u> | <u>(2,904)</u> |
| TOTAL REVENUES | <u>433,600</u> | <u>433,600</u> | <u>394,785</u> | <u>(38,815)</u> |
| EXPENDITURES | | | | |
| Administrative and audit fees | 6,400 | 6,400 | 6,350 | 50 |
| Board per diem | 9,600 | 9,600 | 6,386 | 3,214 |
| Contract attorneys | 429,000 | 429,000 | 425,000 | 4,000 |
| Investigators and expert fees | 30,000 | 30,000 | 10,621 | 19,379 |
| Office and other expenses | 13,000 | 13,000 | 6,901 | 6,099 |
| Lawsuit settlements | <u>-0-</u> | <u>-0-</u> | <u>21,413</u> | <u>(21,413)</u> |
| TOTAL EXPENDITURES | <u>488,000</u> | <u>488,000</u> | <u>476,671</u> | <u>11,329</u> |
| EXCESS OF EXPENDITURES OVER EXPENDITURES | (54,400) | (54,400) | (81,886) | (27,486) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>313,660</u> | <u>313,660</u> | <u>313,660</u> | <u>-0-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 259,260</u> | <u>\$ 259,260</u> | <u>\$ 231,774</u> | <u>\$ (27,486)</u> |

The accompanying notes are an integral part of these basic statements.

UZEE, BUTLER, ARCENEUX & BOWES

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CERTIFIED PUBLIC ACCOUNTANTS

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 Board
Twenty-Ninth Judicial District
Indigent Defender Board's Fund
St. Charles, Louisiana

We have audited the basic financial statements of the Twenty-Ninth Judicial District Indigent Defender Board's Fund as of and for the year ended December 31, 2003, and have issued our report thereon dated June 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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-Ninth Judicial District Indigent Defender Board's Fund financial statements are free of material misstatement, we performed tests of it's 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 are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twenty-Ninth Judicial District Indigent Defender Board's Fund 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 judgement, could adversely affect the Indigent Defender Board's Fund's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of current and prior year audit findings and corrective action plan.

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. 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 the reportable condition described in the accompanying schedule is a material weakness.

This report is intended for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Harvey, Louisiana
June 28, 2004

TWENTY-NINTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD'S FUND

St. Charles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2003

| <u>Ref No.</u> | <u>Fiscal Year Findings Initially Occurred</u> | <u>Description of Findings</u> | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u> | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|--------------------------------|--|--|--------------------------------|---|-------------------------------|------------------------------------|
| CURRENT YEAR (12/31/03) | | | | | | |
| <u>Internal Control:</u> | | | | | | |
| 03-01 | Unknown | The Indigent Defender Board's Fund does not have adequate segregation of duties within the Accounting Department | N/A | None. Because of the cost benefit, and limited number of personnel in the Accounting Department it is not possible to achieve adequate segregation of duties. | Victor E. Bradley Jr. Chief | N/A |
| PRIOR YEAR (12/31/02) | | | | | | |
| <u>Internal Control:</u> | | | | | | |
| 02-01 | Unknown | The Indigent Defender Board's Fund does not have adequate segregation of duties within the Accounting Department | N/A | None. Same as above | Victor E. Bradley Jr. Chief | N/A |