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**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2008

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 11/18/09

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INDEPENDENT AUDITORS' REPORT

To the Chief Public Defender
Thirty-fourth Judicial District Office
of the Indigent Defenders
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the **Thirty-fourth Judicial District Office of the Indigent Defenders (the Indigent Defender's Office)** as of and for the year ended December 31, 2008, which collectively comprise the **Indigent Defender's Office's** basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the **Indigent Defender's Office's** management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major fund of the **Indigent Defender's Office**, as of December 31, 2008 and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Chief Public Defender
Thirty-fourth Judicial District Office
of the Indigent Defenders
Chalmette, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2009 on our consideration of the **Indigent Defender's Office's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 to 7 and budgetary comparison information on page 27 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 inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

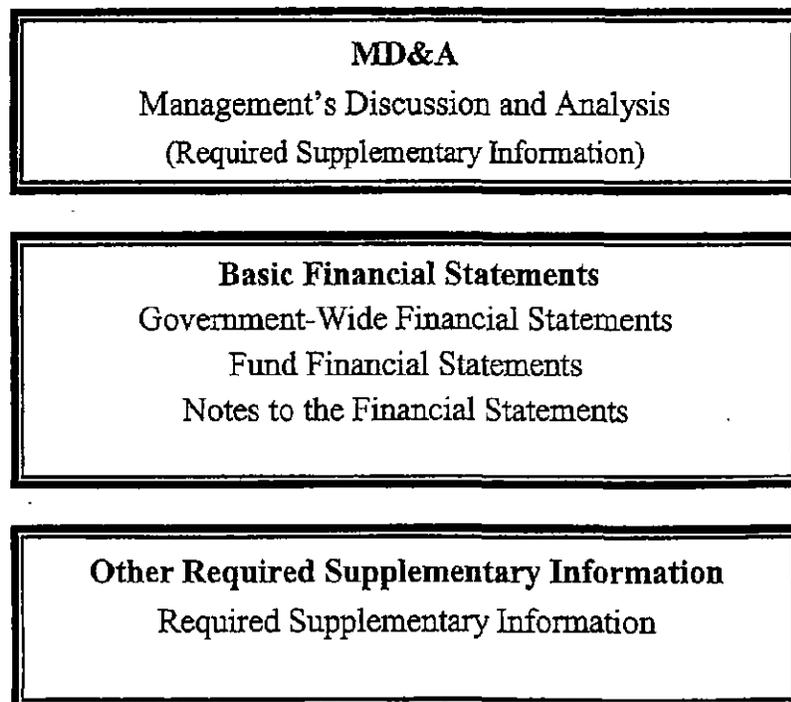
October 26, 2009



**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The **Thirty-fourth Judicial District Office of the Indigent Defenders' (the Indigent Defender's Office's)** management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the **Indigent Defender's Office's** financial activity, and identify changes in the **Indigent Defender's Office's** financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments" and is intended to provide the financial results for the fiscal year ended December 31, 2008.

The following is an illustration on how this financial report is presented.



**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements provide a perspective of the **Indigent Defender's Office** as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

Fund Financial Statements

The fund statements are similar to financial presentations of years past, but the new focus is on the **Indigent Defender's Office's** major funds rather than fund types as in the past. The two account groups: General Fixed Assets and General Long-term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only fund of the **Indigent Defender's Office**. The General Fund is used primarily to account for the general activities of the **Indigent Defender's Office**. It's revenues are derived from district assistance funds, court costs on fines and other fees.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

Financial Analysis of the Indigent Defender's Office

Summary of Net Assets

	<u>2008</u>	<u>2007</u>
Assets		
Current assets	\$ 228,842	\$ 120,097
Capital assets, net book value	<u>9,394</u>	<u>9,650</u>
Total assets	<u>238,236</u>	<u>129,747</u>
Liabilities		
Current liabilities	<u>22,680</u>	<u>27,192</u>
Total liabilities	<u>22,680</u>	<u>27,192</u>
Net Assets		
Invested in capital assets	9,394	9,650
Unrestricted	<u>206,162</u>	<u>92,905</u>
Total net assets	<u>\$ 215,556</u>	<u>\$ 102,555</u>

Certain 2007 amounts, as shown on the statements above and on page 6, have been changed from the 2007 audit report's management's discussion and analysis presentation to reflect a prior period adjustment made in the 2008 fiscal year (see NOTE 7).

As indicated by the statement above, total net assets are \$215,556. Net assets are separated into two categories: invested in capital assets and unrestricted net assets.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$15,415, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$6,021.

The remaining \$206,162 in net assets is unrestricted. The unrestricted net assets are an accumulation of prior years' operating results. This balance is directly affected each year by the Indigent Defender's Office's operating results.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

Results of Operations

	<u>2008</u>	<u>2007</u>
Revenues		
District assistance funds	\$ 301,874	\$ 154,585
Application fees	6,961	7,157
Bonds funds	38,768	25,333
Court cost on fines	52,338	30,798
Interest income	1,126	320
Grants	<u>-0-</u>	<u>58,608</u>
Total revenues	<u>401,067</u>	<u>276,801</u>
Expenses		
Operating services	<u>288,066</u>	<u>256,585</u>
Total expenses	<u>288,066</u>	<u>256,585</u>
Increase in net assets	<u>\$ 113,001</u>	<u>\$ 20,216</u>

As indicated above, net assets increased by \$113,001. The prior year net assets balance of \$102,555 was increased by this increase.

The increase of \$124,266 in the 2008 total revenues was due to the following:

- o Grants decreased because of less funding received from the Louisiana Commission on Law Enforcement grant;
- o District assistance funds increased due to increased funding; and
- o Court costs on fines increased due to the increased activity in the court system generating more fees paid to **the Indigent Defender's Office**.

The 2008 total expenses increased as a result of a greater work load, causing an increase in pay for contractual and professional services in 2008.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

Capital Assets and Debt Administration

Capital Assets

At December 31, 2008, the **Indigent Defender's Office** has \$15,415 invested in furniture, fixtures and equipment.

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Furniture, fixtures and equipment	\$ 15,415	\$ 12,588
Less accumulated depreciation	<u>(6,021)</u>	<u>(2,938)</u>
Net capital assets	\$ <u>9,394</u>	\$ <u>9,650</u>

Depreciation expense for the year is \$3,083.

Economic Factors and Next Year's Budget

The major factor affecting the budget is the local revenue received from court costs on fines, which includes fees received from traffic, municipal, juvenile and criminal court. Additionally, the **Indigent Defender's Office** receives a district allotment from the Louisiana Public Defender Board and any State grants.

Budgetary Highlights

As required by state law, the **Indigent Defender's Office** adopts the original budget for the office prior to the commencement of the fiscal year to which the budget applies. The **Indigent Defender's Office** did not amend its original budget during the 2008 fiscal year.

Contacting The Indigent Defender's Office Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the **Indigent Defender's Office's** finances and demonstrate the **Indigent Defender's Office's** accountability for money it receives. If you have questions about this report or need additional information, contact Thomas Gernhauser, Esq., Chief Public Defender, at 1009 West Monreau Street, Chalmette, Louisiana 70043.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

GOVERNMENTAL
ACTIVITIES

ASSETS

Current Assets:

Cash and cash equivalents (NOTE 2)	\$ 215,195
Court costs on fines receivable	13,147
Other receivable	<u>500</u>

Total current assets 228,842

Capital assets, net (NOTE 3) 9,394

Total assets 238,236

LIABILITIES

Current Liabilities:

Accounts payable	<u>22,680</u>
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Total liabilities 22,680

NET ASSETS

Investment in capital assets	9,394
Unrestricted	<u>206,162</u>

Total net assets \$ 215,556

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

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

Operating Revenues:

District assistance funds	\$ 301,874
Court costs on fines	52,338
Application fees	6,961
Bond funds	<u>38,768</u>
Total operating revenues	<u>399,941</u>

Operating Expenses

Contractual and professional services	278,431
Library and research	2,514
Other operating costs	4,038
Depreciation	<u>3,083</u>
Operating expenses	<u>288,066</u>

Operating income 111,875

Nonoperating revenue

Interest income	<u>1,126</u>
Total nonoperating revenue	<u>1,126</u>

Increase in net assets 113,001

Net assets, beginning of year, as previously stated 68,615

Prior period adjustment (NOTE 7) 33,940

Net assets, beginning of year, as restated 102,555

Net assets, end of year \$ 215,556

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

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
BALANCE SHEET-GOVERNMENTAL FUND
DECEMBER 31, 2008**

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 215,195
Court costs on fines receivable	13,147
Other receivable	<u>500</u>
Total assets	<u>\$ 228,842</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	\$ <u>22,680</u>
Total liabilities	<u>22,680</u>
Fund Balance:	
Unreserved - undesignated	<u>206,162</u>
Total fund balance	<u>206,162</u>
Total liabilities and fund balance	<u>\$ 228,842</u>

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

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

Total fund balance - Governmental Fund	\$ 206,162
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund (NOTE 3):	
The cost of capital assets	\$ 15,415
Accumulated depreciation is	<u>(6,021)</u>
	<u>9,394</u>
Net assets of governmental activities	<u>\$ 215,556</u>

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

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**
STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE
IN FUND BALANCE--GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>General Fund</u>
<u>REVENUES (NOTE 9)</u>	
District assistance funds	\$ 301,874
Court costs on fines	52,338
Application fees	6,961
Bond funds	38,768
Interest income	<u>1,126</u>
Total revenues	<u>401,067</u>
 <u>EXPENDITURES (NOTE 9)</u>	
Contractual and professional services	278,431
Library and research	2,514
Other operating costs	4,038
Capital outlays	<u>2,827</u>
Total expenditures	<u>287,810</u>
Net change in fund balance	<u>113,257</u>
Fund balance, beginning of year, as previously stated	58,965
Prior period adjustment (NOTE 7)	<u>33,940</u>
Fund balance, beginning of year, as restated	<u>92,905</u>
Fund balance, end of year	<u>\$ 206,162</u>

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

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND NET CHANGE IN FUND BALANCE--GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Total net change in fund balance--Governmental Fund	\$ 113,257
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
The Governmental Fund reported capital outlays as expenditures whereas in the Statement of Activities these costs are depreciated over their estimated lives:	
Capital assets purchased	2,827
Depreciation expense	<u>(3,083)</u>
Change in net assets of governmental activities	<u>\$ 113,001</u>

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

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - **BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:**

Background

The **Thirty-fourth Judicial District Office of the Indigent Defenders (the Indigent Defender's Office)**, established in compliance with Louisiana Revised Statutes 15:146 et seq., provides counsel to represent indigents (needy individuals) in criminal, quasi-criminal, juvenile, municipal and traffic cases at the District Court level. The judicial district encompasses the Parish of St. Bernard, Louisiana. All duties and responsibilities for the management of the management of personnel, property and funds will by virtue of Act 307 transfer to the Chief Public Defender who will then be referred to as District Public Defender. Revenues to finance the **Indigent Defender's Office's** operations are derived from district assistance funds, court costs on fines imposed by the various courts within the district and other fees.

Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the **Indigent Defender's Office** have been prepared in conformity with accounting principles generally accepted in the United States of America 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. Implementation of GASB Statements

The **Indigent Defender's Office** follows the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis-For State and Local Governments, as amended by GASB Statements No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Implementation of GASB Statements, Continued

Invested in Capital Assets - consists of capital assets, net of accumulated depreciation.

Restricted Net Assets - result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2008, **the Indigent Defender's Office** had no restricted net assets.

Unrestricted Net Assets - consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - **BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

C. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, **the Indigent Defender's Office** is a part of the District Court System of the State of Louisiana. However, **the Indigent Defender's Office** operates autonomously from the State of Louisiana and independently from the District Court System. Therefore, **the Indigent Defender's Office** reports as an independent reporting entity and the financial statements include only the transactions of **the Indigent Defender's Office**.

D. Fund Accounting

The Indigent Defender's Office uses a fund (general fund) 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 **Indigent Defender's Office** functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The general fund of **the Indigent Defender's Office** is classified as governmental.

The governmental fund accounts for all of **the Indigent Defender's Office's** general activities. This fund focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of **the Indigent Defender's Office**. The following is **the Indigent Defender's Office's** governmental fund:

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

D. Fund Accounting, Continued

General Fund - the operating fund of the **Indigent Defender's Office** and it accounts for all financial resources. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the **Indigent Defender's Office**.

E. Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the **Indigent Defender's Office**.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

E. Basis of Accounting/Measurement Focus, Continued

Fund Financial Statements (FFS)

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. The statement of revenues, expenditures, and net change in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

FFS report detailed information about **the Indigent Defender's Office**. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At December 31, 2008, the general fund is the only major fund of **the Indigent Defender's Office**.

The general fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. **The Indigent Defender's Office** uses the following practices in recording revenues and expenditures.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - **BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Revenues

Court costs on fines are recorded in the month the amounts are collected by the appropriate courts. Interest income on time deposits is recorded when the time deposits have matured.

Expenditures

Expenditures are recognized in the accounting period in which the liability is incurred.

F. Budgetary Data

The Indigent Defender's Office's governing authority is the Chief Public Defender by virtue of Act 307.

The Indigent Defender's Office utilizes the following budget practices:

- o In the last quarter of the year, a budget for the following year is prepared and submitted to the Governing Authority for approval. The budget may be amended during the year, if requested, with the approval of the Governing Authority.
- o The budget records are maintained in the accounting department with all other public records of this program and can be reviewed by making arrangements with the governing authority.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

F. Budgetary Data, Continued

- o The budget is based on prior year experience as to receipts and disbursements and takes into consideration increases in costs of services and supplies, taxes, insurance and equipment, as well as the increased costs when raises and/or new positions are authorized. The budget as a whole is based on the amount of money that is available and the disbursements that are necessary to maintain the efficient operation of this program.
- o All budgetary appropriations lapse at the end of the fiscal year and **the Indigent Defender's Office** does not use a system of encumbrance accounting.
- o The budget for general fund expenditures is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less. Under state law, **the Indigent Defender's Office** 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 (see NOTE 2).

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - **BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

H. Capital Assets

Capital assets are valued at historical cost (at the time purchased), or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value on the date received.

Depreciation has been provided over estimated useful lives of the assets using the straight-line method. The estimated useful life of furniture, fixtures and equipment is 5 years (see NOTE 3).

I. Compensated Absences

The Indigent Defender's Office has no employees.

J. Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - CASH AND CASH EQUIVALENTS:

The Indigent Defender's Office had cash and cash equivalents in demand deposits totaling \$215,195 (book balances) at December 31, 2008.

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 Indigent Defender's Office in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2008, the Indigent Defender's Office has \$215,195 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance. These deposits are not considered a custodial credit risk.

NOTE 3 - CAPITAL ASSETS:

Capital assets and depreciation activity as of and for the year ended December 31, 2008 are as follows:

<u>Assets</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture, fixtures and equipment	\$ 12,588	\$ 2,827	\$ -0-	\$ 15,415
<u>Accumulated Depreciation</u>				
Furniture, fixtures and equipment	<u>2,938</u>	<u>3,083</u>	<u>-0-</u>	<u>6,021</u>
Net capital assets	<u>\$ 9,650</u>	<u>\$ (256)</u>	<u>\$ -0-</u>	<u>\$ 9,394</u>

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - CONTRACTUAL SERVICES:

For the entire 2008 fiscal year, **the Indigent Defender's Office** had no employees. As a result, the Chief Defender and all defense attorneys were contracted for their services.

NOTE 5 - IN-KIND CONTRIBUTIONS:

At December 31, 2008, **the Indigent Defender's Office** received rent-free use of their office facility, which included furniture and utilities. The estimated value of the use of the building, furniture and utilities was not readily determinable, and no amounts have been recorded in the accompanying financial statements.

NOTE 6 - DISTRICT ASSISTANCE FUND:

During the 2008 fiscal year, **the Indigent Defender's Office** was awarded and received grant funds from the Louisiana Public Defender Board's (LAPDB) District Assistance Fund.

The District Assistance Fund is a grant-in-aid program intended to provide supplemental financial assistance in felony cases to district indigent defender boards that have a need for such supplemental funding and that are willing to comply with the standards, guidelines, and policies of the LAPDB.

Funding under the program is being provided to assist qualified districts in improving the quality of indigent defense on a continuous basis especially with respect to the following major goals:

- 1) To lower attorney caseloads to levels consistent with LAPDB and national caseload standards;
- 2) To increase the pool of qualified attorneys certified under the LAPDB's capital and appellate programs;
- 3) To provide more effective attorney unit support in the form of investigators, secretaries, and other forms of office support;

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - DISTRICT ASSISTANCE FUND, CONTINUED

- 4) To improve criminal defense knowledge and skill through training, specialized continuing legal education, and better supervision; and
- 5) To defray expert witness/testing costs.

NOTE 7 - PRIOR PERIOD ADJUSTMENTS:

Unrestricted net assets at the beginning of 2008 have been adjusted for an understatement of grant receivable in prior years. The correction has no effect on the results of the current year's activities; however, the cumulative effect increases beginning unrestricted net assets for 2008 by \$33,940.

NOTE 8 - RISK MANAGEMENT:

The Indigent Defender's Office is exposed to various risks of loss related to torts, theft of, and damage to and destruction of assets for which **the Indigent Defender's Office** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 9 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES:

For the year ended December 31, 2008, the major sources of governmental fund revenues and expenditures were as follows:

Revenues		
State Government		
Appropriations - general	\$ 301,874	
Appropriations - special	-0-	
Revenue sharing	-0-	
Grants	-0-	
On-behalf payments	-0-	
Other	<u>-0-</u>	
Total		<u>\$ 301,874</u>
Local Government		
Appropriations - general	-0-	
Appropriations - special	-0-	
Grants	-0-	
Statutory fines, forfeitures, fees, court costs, and other	52,338	
Criminal court fund	-0-	
On-behalf payments	-0-	
Other	<u>45,729</u>	
Total		<u>98,067</u>
Federal Government:		
Grants - direct	-0-	
Grants - indirect (passed-through state)	<u>-0-</u>	
Total		<u>-0-</u>
Other Grants and Contributions		
Non-profit organizations	-0-	
Private organizations	-0-	
Corporate	-0-	
Other	<u>-0-</u>	
Total		<u>-0-</u>
Charges for Services		<u>-0-</u>
Investment earnings		<u>1,126</u>
Miscellaneous		<u>-0-</u>
Total revenues		<u>\$ 401,067</u>

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 9 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES,
CONTINUED:

Expenditures		
Personnel Services and Benefits		
Salaries	\$	-0-
On-behalf payments - salaries		-0-
Retirement contributions		-0-
On-behalf payments - retirement		-0-
Insurance		-0-
On-behalf payments - insurance		-0-
Payroll taxes		-0-
Other		<u>-0-</u>
Total		<u>-0-</u>
 Professional Development		
Dues, licenses, registrations, and training		
Travel		
Other		<u>-0-</u>
Total		<u>-0-</u>
 Operating Costs		
Library and research	2,514	
Contract services - attorney/legal	278,431	
Contract services - other	-0-	
Lease - office	-0-	
Lease - autos and other	-0-	
Travel - transportation	-0-	
Travel - other	-0-	
Insurance	-0-	
Supplies	3,318	
Repairs and maintenance	-0-	
Utilities and telephone	-0-	
Other operating expenses	<u>720</u>	
Total		<u>284.983</u>
 Debt Service		<u>-0-</u>
 Capital Outlay		<u>2.827</u>
Total expenditures		<u>\$ 287.810</u>

SUPPLEMENTARY INFORMATION

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Original Budget</u>	<u>Actual</u>	Variance from Amended Budget Positive (Negative)
Revenues:			
Court costs on fines	\$ 36,057	\$ 52,338	\$ 16,281
Application fees	8,348	6,961	(1,387)
Interest income	-0-	1,126	1,126
District assistance funds	225,703	301,874	76,171
Bond funds	<u>31,295</u>	<u>38,768</u>	<u>7,473</u>
Total revenues	<u>301,403</u>	<u>401,067</u>	<u>99,664</u>
Expenditures:			
Professional development:			
Training	1,925	-0-	1,925
Operating costs:			
Contractual and professional services	287,300	278,431	8,869
Internet service	6,000	-0-	6,000
Supplies	600	3,318	(2,718)
Library and research	5,268	2,514	2,754
Utilities and telephone	-0-	-0-	-0-
Other	310	720	(410)
Capital outlays	<u>-0-</u>	<u>2,827</u>	<u>(2,827)</u>
Total expenditures	<u>301,403</u>	<u>287,810</u>	<u>13,593</u>
Net change in fund balance	<u>-0-</u>	<u>113,257</u>	<u>113,257</u>
Fund balance, beginning of year, as previously stated	58,965	58,965	-0-
Prior period adjustment	<u>-0-</u>	<u>33,940</u>	<u>33,940</u>
Fund balance, beginning of year, as restated	<u>58,965</u>	<u>92,905</u>	<u>33,940</u>
Fund balance, end of year	<u>\$ 58,965</u>	<u>\$ 206,162</u>	<u>\$ 147,197</u>

See Accompanying Independent Auditors' Report.



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Chief Defender
Thirty-fourth Judicial District Office
of the Indigent Defenders
Chalmette, Louisiana

We have audited the financial statements of the **Thirty-fourth Judicial District Office of the Indigent Defenders (the Indigent Defender's Office)** as of and for the year ended December 31, 2008, and have issued our report thereon dated October 26, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the **Indigent Defender's Office's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Indigent Defender's Office's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Indigent Defender's Office's** internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and material weaknesses.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **Indigent Defender's Office's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the **Indigent Defender's Office's** financial statements that is more than inconsequential will not be prevented or detected by the **Indigent Defender's Office's** internal control. We consider the deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting presented as findings 2008-01 through 2008-03.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **Indigent Defender's Office's** internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the significant deficiencies described above as findings 2008-01 through 2008-03 to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Indigent Defender's Office's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings as item 2008-01.

This report is intended solely for the information and use of the Chief Public Defender, the Louisiana Legislative Auditor and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

October 26, 2009

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

We have audited the financial statements of the **Thirty-fourth Judicial District Office of the Indigent Defenders**, as of and for the year ended December 31, 2008, and have issued our report thereon dated October 26, 2009. 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. Our audit of the financial statements as of December 31, 2008 resulted in an unqualified opinion.

Section I - Summary of Auditors' Results

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: Yes Material weaknesses: Yes.
- B. Noncompliance which is material to the financial statements: Yes.
- C. Significant deficiencies in internal control over major programs: N/A Material weaknesses: N/A.
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: N/A.
- F. Major programs: N/A.
- G. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.
- I. A management letter was issued: No.

THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards**

Finding Reference Number

2008-01 - Submission of Audit Report

Criteria

LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request, based only on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by a specific date.

Condition

The December 31, 2008 audited financial statements were not submitted to the Legislative Auditor by the statutory due date of June 30, 2009. The Legislative Auditor has approved an extension of time for the **Indigent Defender's Office** to file its annual December 31, 2008 financial report by no later October 30, 2009. **The Indigent Defender's Office** was granted this extension for circumstances other than a natural disaster.

Effect

An audit report filed with an approved extension from the Legislative Auditor after the six (6) months time frame for any reason other than for a natural disaster is a violation of the State audit completion and submission law.

Cause

The **Indigent Defender's Office's** financial statements were not completed in a timely manner.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards, Continued**

Finding Reference Number

2008-01 - Submission of Audit Report, Continued

Recommendation

We recommend that the **Indigent Defender's Office** review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**SECTION II - Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards, Continued**

Finding Reference Number

2008-02 - Prior Period Adjustment

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

During the course of our audit, we noted that \$33,940 of 2007 grant revenue was not recorded to the financial records of the **Indigent Defender's Office** and receivable balance and net assets/fund balance were understated in the financial statements at December 31, 2007. An audit adjustment was made to beginning net assets/fund balance in the amount of \$33,940.

Effect

Beginning net assets/fund balance were materially misstated prior to the audit adjustment.

Cause

The Indigent Defender's Office lacked an adequate system of internal controls to detect a material misstatements of financial statements.

Recommendation

We recommend that **the Indigent Defender's Office** take immediate actions to implement the necessary internal controls to ensure that financial data is reliable and without material misstatement.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**Section II - Internal Control and Compliance
Material to the Financial Statements, Continued**

Finding Reference Number

2008-03 - Other Deficiencies in Internal Control

Criteria

The Indigent Defender's Office should have adequate internal control that involves people at every level of the organization without exceptions, designed to provide a reasonable support to the achievement of the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Condition

The Indigent Defender's Office is a small governmental entity that has no employees, only contractual individuals. The entity's management and those charged with governance lack the qualifications and expertise to operate and prepare financial reporting needs to implement the required internal controls.

We noted the following:

- Bank accounts were not reconciled;
- Accounting for transactions was not performed during the year on an interim basis;
- Financial statements were not prepared;
- Adequate documentation was not maintained to support expenditures and grant revenue; and
- Lack of segregation of duties.

Effect

The lack of adequate internal control as noted above increases the risk of fraud and misstatement of the financial statements.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**Section II - Internal Control and Compliance
Material to the Financial Statements, Continued**

Finding Reference Number

2008-03 - Other Deficiencies in Internal Control, continued

Cause

The Indigent Defender's Office failed to implement adequate internal controls throughout every level of the organization.

Recommendation

We recommend that **the Indigent Defender's Office** immediately take the appropriate actions to develop and implement a program of internal controls to detect, deter and prevent material misstatements in financial statements and fraudulent activity.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Section I - Internal Control and Compliance
Material to the Financial Statements

2007-01 Preparation of Financial Statements and Disclosures

It was recommended that management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures.

Current Status

Unresolved. See current year finding 2008-03.

2007-02 Timely Submission of Audited Financial Statements

It was recommended that **the Indigent Defender's Office** comply with state law and submit their audited financial statements to the Legislative Auditor within six months of the close of their fiscal year.

Current Status

Unresolved. See current year finding 2008-01.

2007-03 Budget Variance

It was recommended that **the Indigent Defender's Office** make inquiries to the Sheriff periodically to determine the expected fines and fees collected on behalf of **the Indigent Defender's Office** for the year. The Office's budget should be amended accordingly.

Current Status

Resolved.

THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

Section II - Internal Control and Compliance Material to Federal Awards

No matters reported.

Section III - Management Letter

No matters reported.

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**

EXIT CONFERENCE

An exit conference was held on October 30, 2009. The following persons were in attendance:

**THIRTY-FOURTH JUDICIAL DISTRICT OFFICE
OF THE INDIGENT DEFENDERS**

Thomas Gernhauser, Esq.	--	Incoming Chief Defender
Gregory Duhay, Esq.	--	Outgoing Chief Defender

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Larry Jones, CPA	--	Manager
Mr. Alcide J. Tervalon , III, MBA	--	Senior Accountant



Thomas H. Gernhauser, District Defender

Gregory S. Duhy, Staff Attorney Div. A
Louis Stierwald, Staff Attorney Div. B
William Egan, Staff Attorney Div. E
Larry Aisola, Conflict Attorney
Alan G. Bouterie, Jr. Conflict Attorney

October 30, 2009

Re: December 31, 2008 Audit,

Letter of correction of policies and internal controls in regards
to the findings of the Independent Audit of the 34th Judicial District Office of Indigent defenders

To whom it may concern,

Based on the findings and suggestions of the Independent Auditor, this office has addressed and/or will address, and implement the following recommendations:

Finding Reference Number

2008-01 Submission of Report

Rather than requesting an extension, in the future the office will make all reasonable attempts to have an independent audit engaged submitted and completed to the Legislative Auditor within 6 months of the year end.

2008-02 Prior Period Adjustment

Immediate actions have been taken to address internal controls that were needed to detect material misstatements of financial statements. These internal controls include but are not limited to more than one responsible party monitoring financial accounts, while employing an independent accountant review and organize financial data to ensure that the data is reliable and without material misstatement.

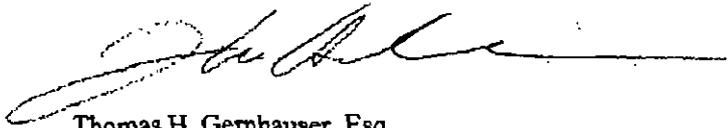
2008-03 Internal Control

Immediate actions have been taken to address internal controls that were needed to detect material misstatements of financial statements. These internal controls include but are not limited to more than one

responsible party monitoring financial accounts, while employing an independent accountant review and organize financial data to ensure that the data is reliable and without material misstatement. Bank accounts have been consolidated to a bank in the vicinity for easier access. Bank accounts are currently being reconciled. Accounting for transactions are currently being recorded and filed by 2 individuals, while an independent accountant will be retained to periodically review financial statements. Financial statements will be prepared via accounting software that has been obtained and is in use. All expenditures and revenue are presently being recorded, copied, documented and filed accordingly. Internal control has and will be utilized to avoid all risk of fraud and detect, deter and prevent misstatement of financial statements.

The office will strive to maintain all suggested internal controls, including but not limited to up to date recordation and maintenance of financial statements, filing and recordation of all transactions, and institute measures to prevent fraudulent activity and material misstatements.

Submitted by,



Thomas H. Gemhauser, Esq.
Incoming District Defender
34th Judicial District Public Defender's Office*

*(Formally referred to as 34th Judicial District Indigent Defender's Office for the audit year at issue)