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**15TH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

Financial Statements

December 31, 1999

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 7/12/00

J. L. SONNIER
Certified Public Accountant
Lafayette, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fifteenth Judicial District
Indigent Defender Board
Lafayette, Louisiana

I have audited the accompanying general purpose financial statements of the Fifteenth Judicial District Indigent Defender Board, a component unit of the Lafayette City/Parish Consolidated Government, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Fifteenth Judicial District Indigent Defender Board's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Fifteenth Judicial District Indigent Defender Board, a component unit of the Lafayette City/Parish Consolidated Government, as of December 31, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The year 2000 supplementary information on page 13 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Fifteenth Judicial District Indigent Defender Board is or will become year 2000 compliant, that the Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Board does business are or will be year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued a report dated April 19, 2000 on my consideration of the Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A handwritten signature in black ink, appearing to read "J. J. Lamin". The signature is written in a cursive style with a period after the first name.

April 19, 2000

FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999

	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only)	
			1999	1998
ASSETS				
Cash	221,757	–	221,757	253,429
Due from other governments – Court costs and bond forfeits receivable	118,434	–	118,434	64,368
Due from Louisiana Indigent Defender Board	–	–	–	5,183
Equipment	–	63,163	63,163	54,115
Prepaid insurance	1,052	–	1,052	1,110
Total assets	341,243	63,163	404,406	378,205
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	29,174	–	29,174	16,380
Payroll taxes payable	260	–	260	812
Total liabilities	29,434	–	29,434	17,192
Fund equity:				
Investment in general fixed assets	–	63,163	63,163	54,115
Fund balance – Unreserved, undesignated	311,809	–	311,809	306,898
Total fund equity	311,809	63,163	374,972	361,013
Total liabilities and fund equity	341,243	63,163	404,406	378,205

See Notes to Financial Statements.

FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance – Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Intergovernmental revenues				
Court costs and bond forfeitures	1,113,000	1,194,548	81,548	992,646
District Assistance Fund – Louisiana IDB	149,500	144,205	(5,295)	274,535
Fees – partially indigent	47,000	58,005	11,005	60,370
Interest	1,000	2,642	1,642	1,855
Total revenues	1,310,500	1,399,400	88,900	1,329,406
Expenditures:				
Current – general government				
Salaries, retainers and related benefits	1,209,586	1,205,411	4,175	1,106,980
Professional services	84,200	121,739	(37,539)	8,298
Office and administrative	51,550	45,496	6,054	32,740
Insurance	9,800	9,904	(104)	9,644
Capital outlays – equipment	10,000	11,939	(1,939)	5,227
Total expenditures	1,365,136	1,394,489	(29,353)	1,162,889
Excess (deficiency) of revenues over expenditures	(54,636)	4,911	59,547	166,517
Fund balance, beginning	306,898	306,898	--	140,381
Fund balance, ending	252,262	311,809	59,547	306,898

See Notes to Financial Statements.

FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying component unit financial statements of the Fifteenth Judicial District Indigent Defender Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

Reporting Entity

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the primary government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Indigent defender boards, criminal court funds, and judicial expense funds are part of the operations of the district court system. The district court system is fiscally dependent on the primary government for office space and courtrooms. The substance of the relationship between the district court system and the primary government is that the primary government has

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

approval authority over its capital budget. In addition, the nature and significance of the relationship between the district court and the primary government is such that exclusion from the primary government's financial statements would render the financial statements incomplete or misleading. For these reasons, indigent defender boards are considered component units of the primary government. The Fifteenth Judicial District Indigent Defender Board is comprised of the parishes of Acadia, Lafayette and Vermillion. It was determined to be a component unit of the Lafayette City/Parish Consolidated Government based on revenues received from and support provided by each parish's court systems. The accompanying financial statements present information only on the funds maintained by the Fifteenth Judicial District Indigent Defender Board.

Fund Accounting

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The General Fund is the operating fund of the board. It is used to account for all financial resources not accounted for in the General Fixed Assets Account Group.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

The General Fund operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on its balance sheet.

Fixed assets are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the General Fund when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Budgets and Budgetary Accounting

The Board follows these procedures in establishing the annual budget:

- The chief public defender prepares a proposed budget and submits it to the members of the board of directors for their approval prior to the beginning of each year.
- Budgetary amendments involving an increase in attorney retainers, salaries, capital expenditures, or an increase in total expenditures require the approval of the board of directors.
- All budgetary appropriations lapse at the end of each fiscal year.

The General Fund budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board. Such amendments were not material in relation to the original appropriations. The Board does not employ encumbrance accounting.

Total Column on Combined Statement

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Dollar Signs

All numeric data in the financial statements and accompanying notes are presented in U.S. dollars. Dollar signs have been omitted.

2. BANK DEPOSITS AND INVESTMENTS

The Board may invest in direct United States Treasury obligations, U.S. Government Agency obligations guaranteed by the U.S. Government, time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, and investments as stipulated in LSA-R.S. 39:2955.

At December 31, 1999, \$100,000 of bank deposits were insured by the FDIC; bank deposit balances totaled \$224,654 and were collateralized with securities held by the pledging financial institution (not in the Board's name).

3. COURT COSTS AND BOND FORFEITURES RECEIVABLE

This is the aggregate amount due from the various courts and district attorney offices of the Fifteenth Judicial District for court costs collected and bonds forfeited in 1999 and not remitted as of December 31.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. CHANGES IN GENERAL FIXED ASSETS

General fixed assets are comprised of office furniture and equipment. The following is a summary of changes in the general fixed assets account group for 1999.

Balance December 31, 1998	54,115
Additions	11,938
Retirements	<u>(2,890)</u>
Balance December 31, 1999	<u>63,163</u>

5. RETIREMENT SYSTEM

The Board maintains no retirement system.

6. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

7. RECLASSIFICATION OF PRIOR YEAR AMOUNTS

Certain amounts reported in the prior year have been reclassified for comparative purposes with current year amounts.

8. RISK MANAGEMENT

The Board is exposed to risks of loss in the areas of general liability, malpractice, property hazards and workers' compensation. General liability, property hazards and workers' compensation risks are handled through the purchase of commercial insurance. There were no significant reductions in insurance coverage during 1999 and settlements have not exceeded insurance coverage in any of the past three years. Malpractice risks are uninsured. The Board is unaware of any outstanding claims or losses as of December 31, 1999. There were no outstanding claims as of December 31, 1998, and no claims were paid during 1999.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Board of Directors
Fifteenth Judicial District
Indigent Defender Board
Lafayette, Louisiana

I have audited the general purpose financial statements of the Fifteenth Judicial District Indigent Defender Board, a component unit of the Lafayette City/Parish Consolidated Government, as of and for the year ended December 31, 1999, and have issued my report thereon dated April 19, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

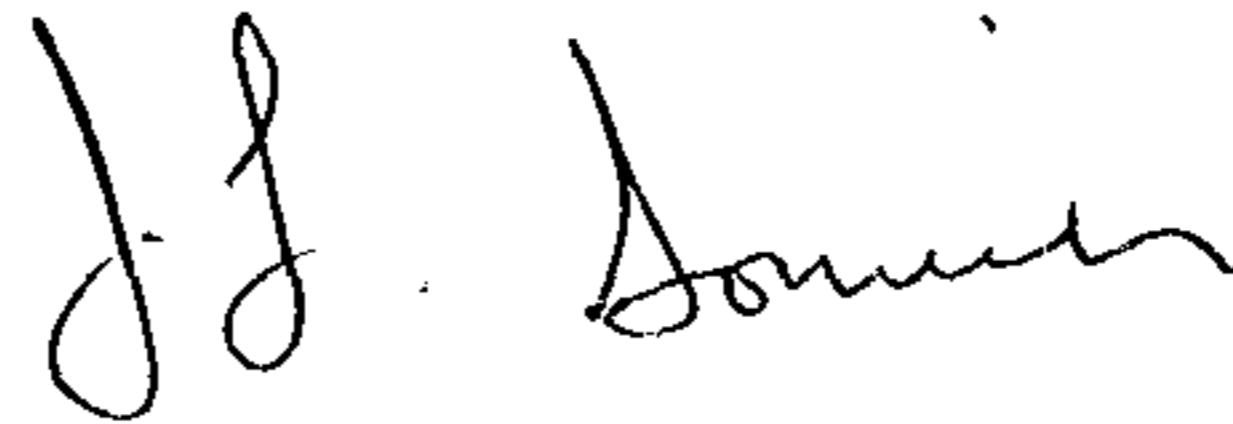
As part of obtaining reasonable assurance about whether the Fifteenth Judicial District Indigent Defender Board's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Fifteenth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect Fifteenth Judicial District Indigent Defender Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of audit findings as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My 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, I believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the board of directors, management, the Lafayette City/Parish Consolidated Government, grantor agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "J. J. Dornier". The signature is written in a cursive style with a large initial "J" and "D".

April 19, 2000

FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

**Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended December 31, 1999**

I. Prior Year Findings:

Compliance

There are no findings that are required to be reported under the above.

Internal Control Over Financial Reporting

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 99-1.

II. Current Year Findings and Management's Corrective Action Plan:

Compliance

There are no findings that are required to be reported under the above.

Internal Control Over Financial Reporting

Item 99-1 - Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Management's corrective action plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

BOARD MEMBER COMPENSATION

December 31, 1999

The members of the board of directors of the Fifteenth Judicial District Indigent Defender Board serve on a voluntary basis and receive no form of compensation for those duties.

FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Supplementary Information Year 2000 Issue (Unaudited)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government entity's operations as early as fiscal year 1999.

The Fifteenth Judicial District Indigent Defender Board has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the Board's operations. Based on this inventory, the Board is in the remediation stage for the financial reporting systems. No contracts for software and hardware have been let as of December 31, 1999. Testing and validation of the systems will need to be completed after the software and hardware are purchased and installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Board is or will be year 2000 ready, that the Board's remediation efforts will be successful in whole or in part, or that parties with whom the Board does business will be year 2000 ready.