

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA
GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)

GENERAL FUND

Year Ended December 31, 1995

With Comparative Actual Amounts for Year Ended December 31, 1994

	1995		Variance	1994
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Court costs on fines and forfeitures	\$ 877,600	\$ 681,045	\$ (196,555)	\$ 871,867
Intergovernmental revenues:				
Grant-Louisiana Indigent Defender Board	50,000	299,767	249,767	-
Fees from indigents	2,500	2,640	140	1,945
Use of money and property-interest earnings	7,000	8,241	1,241	6,830
Total revenues	<u>937,100</u>	<u>991,693</u>	<u>54,593</u>	<u>880,642</u>
Expenditures:				
General government-judicial:				
Salaries and related benefits	495,800	465,697	30,103	452,053
Professional services	238,000	247,607	(9,607)	263,131
Litigation support	20,000	31,317	(11,317)	48,629
Library	8,500	2,912	5,588	8,468
Materials and supplies	11,500	15,002	(3,502)	16,427
Travel	6,000	4,533	1,467	4,457
Rent	64,000	63,867	133	62,668
Telephone	7,000	8,135	(1,135)	6,950
Other operating expenditures	69,300	14,096	55,204	19,224
Capital outlay and equipment	15,000	8,627	6,373	16,907
Total expenditures	<u>935,100</u>	<u>861,793</u>	<u>73,307</u>	<u>898,914</u>
Excess (deficiency) of revenues over expenditures (budgetary basis)	<u>\$ 2,000</u>	129,900	<u>\$ 127,900</u>	(18,272)

(continued on next page)

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA
GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
Year Ended December 31, 1995
With Comparative Actual Amounts for Year Ended December 31, 1994
(Continued)

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Adjustments:				
To adjust revenues for accruals		8,118		(37,095)
To adjust expenditures for accruals		(3,651)		(158)
Debt service:				
Principal		(2,639)		(2,331)
Interest		(271)		(1,065)
Deficiency of revenues over expenditures (GAAP basis)		131,457		(58,921)
Fund balance, beginning		<u>220,824</u>		<u>279,745</u>
Fund balance, ending		<u>\$ 352,281</u>		<u>\$ 220,824</u>

See Notes to Financial Statements.

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 1995

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana (the Board), is established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parish of Calcasieu, Louisiana.

Prior to March 1, 1994, the Thirty-Eight Judicial District participated in the Indigent Defender Board program with the Fourteenth Judicial District. Effective March 1, 1994, the Thirty-Eight Judicial district created an Indigent Defender Board and terminated its participation in the program with the Fourteenth Judicial District.

The Indigent Defender Board is composed of six board members appointed by the judges of the Fourteenth Judicial District Courts. During the period prior to March 1, 1994, the Board was composed of seven board members appointed by the judges of the Fourteenth and Thirty-Eight Judicial District Courts. Compensation for services is prohibited and members of the Board were paid no per diem payments or compensation during 1995 by the Board for their services on The Fourteenth Judicial District Indigent Defender Board. The Board employs seventeen employees and five contract attorneys.

NOTES TO FINANCIAL STATEMENTS

For financial reporting purposes, in conformance with GASB Statement Number 14, *The Financial Reporting Entity*, the Indigent Defender Board is a component unit of the Calcasieu Parish Police Jury. This conclusion is arrived at based on the financial accountability of the Fourteenth Judicial District Court for the Indigent Defender Board and the fact that the Fourteenth Judicial District Court is considered a component unit of the Calcasieu Parish Police Jury. Such financial accountability is considered to exist if a primary government appoints a voting majority of an organization's officials and has the ability to impose its will on the organization.

The financial statements of the Board include all operations and activities under control and authority of the Board and it was determined that no other agency should be included in this reporting entity.

C. FUND ACCOUNTING

The board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The financial statements in this report are grouped into one governmental fund type, the General Fund, and two account groups, the General Fixed Assets Account Group and the General Long-Term Obligations Account Group.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets.

NOTES TO FINANCIAL STATEMENTS

The Board's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

Revenues

Revenues collected in the current period that were measurable and available as net current assets of the prior period are adjusted out of current revenue. Uncollected revenues that are measurable and available as net current assets of the current period are recognized as revenue. Court costs are considered "measurable" when in the hands of the various courts.

Expenditures

Expenditures are adjusted to record in the current period only those expenditures for which the related fund liability was incurred in the current period.

Pervasiveness of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. BUDGET PRACTICES

The Director prepares a proposed annual budget and submits same to the Board of Directors no later than fifteen days prior to the beginning of each fiscal year. The budget includes proposed expenditures and the means of financing them.

The budget is employed as a management tool during the year by the Board of Directors; however, all expenditures are approved by the Directors on a monthly basis and revenue is reviewed monthly. Any revisions that alter total expenditures are approved by the Board.

NOTES TO FINANCIAL STATEMENTS

The budget for the Board is adopted on the cash basis, which is not in conformity with generally accepted accounting principles (GAAP). All budgetary proposed expenditures lapse at the end of each year. During 1995 there were no revisions to the budget. Encumbrance accounting is not used.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and U. S. Treasury bills with original maturities of 90 days or less.

Under state law, the Board may deposit funds within a fiscal agent bank 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. Further, the Board may invest in United States bonds, treasury notes, or certificates, time deposits of state banks organized under Louisiana law and national banks, or any other federally insured investment.

U. S. Treasury bills are stated at cost or amortized cost, which approximates market. Discounts on the purchase of these securities are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

G. FIXED ASSETS

Fixed assets used in governmental fund type operations are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. COMPENSATED ABSENCES

The Board has the following policy related to vacation and sick leave:

The cost of current leave privileges is recognized as a current year expenditure in the General Fund when leave is actually taken. The cost of vacation leave not requiring current resources is recorded in the general long-term obligations account group.

NOTES TO FINANCIAL STATEMENTS

Sick pay is not vested and, therefore, is not recorded as a liability in the accompanying financial statements. Other than maternity leave of six weeks, there is no formal sick pay plan.

I. BAD DEBTS

No reserve for uncollectible receivables had been recorded as of December 31, 1995, as all receivables were considered collectible.

J. FUND EQUITY

Reserves:

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Grant revenue received from the Louisiana Indigent Defender Board is restricted in accordance with the grant agreement.

Designated fund balance:

Designated fund balances represent tentative plans for future use of financial resources. The Board had designated \$101,000 of its General Fund equity for anticipated operating costs of the public defender's office as of December 31, 1995 and \$163,500 as of December 31, 1994.

K. COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Board's financial position and operations. However, presentation of prior year's totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

L. TOTAL COLUMNS ON STATEMENTS

The total columns of the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTES TO FINANCIAL STATEMENTS

Note 2. CASH AND CASH EQUIVALENTS

At December 31, 1995 and 1994, the Board had cash and cash equivalents (book balances) as follows:

	<u>1995</u>	<u>1994</u>
Demand deposits	\$ 230,365	\$ 38,528
U.S. Treasury bills	-	98,732
Certificates of deposit	32,946	31,257
Daily cash accumulation fund	<u>68,054</u>	<u>33,189</u>
Total	<u>\$ 331,365</u>	<u>\$ 201,706</u>

The Board's deposits (or the resulting bank balances), under state law, 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. As of December 31, 1995, deposits of \$198,996 were secured by FDIC insurance or by pledge of securities owned by the financial institution in the Board's name. As of December 31, 1994, the Board's deposits as of the balance sheet dates are entirely covered by FDIC insurance or by pledge of securities owned by the financial institution in the Board's name. The deposits at December 31, 1995 and 1994 classified to give an indication of the level of risk assumed by the Board are as follows:

December 31, 1995	<u>Demand Deposits</u>	<u>Certificates of Deposit</u>
Carrying amount	<u>\$ 298,419</u>	<u>\$ 32,946</u>
Bank balances:		
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 166,050	\$ 32,946
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	-	-
c. Uncollateralized, including any securities held for the entity but not in the entity's name	<u>169,487</u>	<u>-</u>
Total bank balances	<u>\$ 335,537</u>	<u>\$ 32,946</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 1994	<u>Demand Deposits</u>	<u>Certificates of Deposit</u>
Carrying amount	<u>\$ 71,717</u>	<u>\$ 31,257</u>
Bank balances:		
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 97,801	\$ 31,257
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	-	-
c. Uncollateralized, including any securities held for the entity but not in the entity's name	<u>-</u>	<u>-</u>
Total bank balances	<u>\$ 97,801</u>	<u>\$ 31,257</u>

Following are investments (cash equivalents) of the Board at year end categorized to give an indication of the level of risk assumed by the Board. Category 1 includes investments that are insured or registered, or for which the securities are held by the Board or its agent, in the name of the Board. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the name of the Board. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent, but not in the name of the Board.

	<u>Category</u>		<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>Amount</u>	<u>Value</u>
December 31, 1995:				
U.S. Treasury bills	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 1994:				
U.S. Treasury bills	<u>\$ 98,732</u>	<u>\$ -</u>	<u>\$ 98,732</u>	<u>\$ 98,413</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Furniture and equipment:	
Balance January 1, 1995	\$ 95,177
Additions	<u>8,627</u>
Balance December 31, 1995	<u>\$ 103,804</u>

Note 4. GRANT - LOUISIANA INDIGENT DEFENDER BOARD

The Board has received grant revenue from the Louisiana Indigent Defender Board (LIDB) in order to provide supplemental funding for the defense of indigent persons accused of capital and felony crimes. The funds from these grants are restricted to the specific uses as determined by the LIDB at the time the funds are granted. The funds received from these grants and the related expenditures during the year ended December 31, 1995 were as follows:

Revenues:	
Grants received	\$ 299,767
Use of money and property-interest earnings	<u>2,594</u>
Total revenues	<u>302,361</u>
Expenditures:	
Salaries and related benefits	8,039
Professional services	54,422
Litigation support	26,331
Material and supplies	1,615
Other operating expenditures	1,622
Capital outlay and equipment	<u>8,893</u>
	100,922
Expenditures relating to years ending prior to December 31, 1995:	
Litigation support	<u>16,629</u>
Total expenditures	<u>117,551</u>
Excess revenues over expenditures	<u>\$ 184,810</u>

An amount equal to the excess of revenues over expenditures represents restricted cash and restricted fund balance.

NOTES TO FINANCIAL STATEMENTS

Note 5. PENSION PLAN

Substantially all of the Board's employees participate in the federal social security program. The Board is required to remit an amount to the Social Security Administration equal to the employee's contribution.

Note 6. CAPITAL LEASE

The Board has entered into a lease agreement as lessee for financing the acquisition of telephone equipment. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The carrying value of the telephone equipment recorded in the General Fixed Assets account group totaled \$10,780.

Following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at December 31, 1995:

General Year Ended <u>December 31</u>	<u>Long-Term Debt</u>
1996	\$ 728
1997	-
1998	-
1999	-
2000	-
Total minimum lease payments	<u>728</u>
Less amount representing interest	<u>15</u>
Present value of future minimum lease payments	<u>\$ 713</u>

Note 7. OPERATING LEASE

Effective August 3, 1993, the Board entered into a five year lease agreement for the rental of office space in the Premier Bank Building, Lake Charles, Louisiana. Under the lease agreement, the Board is required to make monthly lease payments which may be adjusted in accordance with an operating expense clause. These monthly payments are currently \$5,343 per month and will decrease to \$5,246 per month in September, 1996.

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THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
PARISH OF CALCASIEU, LOUISIANA

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ANNUAL GENERAL PURPOSE FINANCIAL REPORT
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY
DECEMBER 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-17-96

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LAKE CHARLES, LOUISIANA

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Fourteenth Judicial District
Indigent Defender Board
Parish of Calcasieu, Louisiana
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana (the Board), a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1995. These general purpose financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana, as of December 31, 1995, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 1996 on our consideration of The Fourteenth Judicial District Indigent Defender Board's internal control structure and a report dated June 4, 1996 on its compliance with laws and regulations.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana.

McElroy, Quirk & Surch

Lake Charles, Louisiana
June 7, 1996

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET
December 31, 1995

ASSETS	Governmental Funds- General Fund	Account Group		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Obligations	1995	1994
Cash-operating	\$ 23,105	\$ -	\$ -	\$ 23,105	\$ 21,244
Cash-board account	22,450	-	-	22,450	17,283
Cash and cash equivalents- contingent fund	101,000	-	-	101,000	163,179
Restricted assets:					
Cash-district assistance fund	184,810	-	-	184,810	-
Receivables:					
Court cost on fines and forfeitures	38,951	-	-	38,951	30,833
Accrued interest	19	-	-	19	192
Fixed assets	-	103,804	-	103,804	95,177
Amount to be provided for retirement of general long-term obligations	-	-	1,713	1,713	4,352
Total assets	\$ 370,335	\$ 103,804	\$ 1,713	\$ 475,852	\$ 332,260
LIABILITIES AND FUND BALANCE					
Liabilities:					
Lease purchase contract	\$ -	\$ -	\$ 713	\$ 713	\$ 3,352
Payroll taxes payable	751	-	-	751	1,175
Annual leave payable	14,646	-	1,000	15,646	11,732
Other liabilities	2,657	-	-	2,657	-
Total liabilities	<u>18,054</u>	<u>-</u>	<u>1,713</u>	<u>19,767</u>	<u>16,259</u>
Fund balance:					
Investment in general fixed assets	-	103,804	-	103,804	95,177
Fund balance:					
Reserved for district assistance fund	184,810	-	-	184,810	-
Designated for operating costs	101,000	-	-	101,000	163,500
Unreserved-undesignated	66,471	103,804	-	66,471	57,324
Total fund balance	<u>352,281</u>	<u>103,804</u>	<u>-</u>	<u>456,085</u>	<u>316,001</u>
Total liabilities and fund balance	\$ 370,335	\$ 103,804	\$ 1,713	\$ 475,852	\$ 332,260

See Notes to Financial Statements.

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCASIEU, LOUISIANA
GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended December 31, 1995
With Comparative Amounts for Year Ended December 31, 1994

	<u>General Fund</u>	
	<u>1995</u>	<u>1994</u>
Revenues:		
Court costs on fines and forfeitures	\$ 688,968	\$ 835,017
Intergovernmental revenue:		
Grant-Louisiana Indigent Defender Board	299,767	-
Fees from indigents	2,835	1,700
Use of money and property - interest earnings	8,241	6,830
Total revenues	<u>999,811</u>	<u>843,547</u>
Expenditures:		
General government-judicial:		
Salaries and related benefits	469,348	452,211
Professional services	247,607	263,131
Litigation support	31,317	48,629
Library	2,912	8,468
Material and supplies	15,002	16,427
Travel	4,533	4,457
Rent	63,867	62,668
Telephone	8,135	6,950
Other operating expenditures	14,096	19,224
Capital outlay and equipment	8,627	16,907
Debt service:		
Principal	2,639	2,331
Interest	271	1,065
Total expenditures	<u>868,354</u>	<u>902,468</u>
Excess (deficiency) of revenues over expenditures	131,457	(58,921)
Fund balance, beginning	<u>220,824</u>	<u>279,745</u>
Fund balance, ending	<u>\$ 352,281</u>	<u>\$ 220,824</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

The minimum annual commitments under operating leases are as follows:

	<u>Building and Office Facilities</u>
1996	\$ 62,550
1997	62,947
1998	31,719
1999	-
2000	-

Note 8. BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual-General Fund presents comparisons of the adopted budget (more fully described in Note 1) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis differences in excess (deficiency) of revenues over expenditures for the year ended December 31, 1995 is presented on the budgetary comparison statement, Statement C.

Note 9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Total</u>
Long-term obligations payable at December 31, 1994	\$ 1,000	\$ 3,352	\$ 4,352
Deductions	<u>-</u>	<u>(2,639)</u>	<u>(2,639)</u>
Long-term obligations payable at December 31, 1995	<u>\$ 1,000</u>	<u>\$ 713</u>	<u>\$ 1,713</u>

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
The Fourteenth Judicial District
Indigent Defender Board
Parish of Calcasieu, Louisiana
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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.

The management of The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters, as described below, involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

An effective internal control structure is dependent to a great extent on segregation of responsibilities for initiating, evaluating, and approving transactions from those for detail accounting and other related functions. Because of the small size of the Board's office staff, the opportunity for segregation of duties is limited. The Board's involvement in review of operations and approval of all expenditures does mitigate to some extent this weakness.

The Board's review process did not identify the fact that its bank depository did not adequately secure the Board's public deposits in accordance with state law. This matter was corrected during 1996 and the Board has revised its review process to prevent future noncompliance.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the Board of Directors, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

McElroy, Quink & Burch

Lake Charles, Louisiana
June 7, 1996

MCELROY, QUIRK & BURCH

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Board of Directors
The Fourteenth Judicial District
Indigent Defender Board
Parish of Calcasieu, Louisiana
Lake Charles, Louisiana

We have audited the general purpose financial statements of The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana (the Board), a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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.

Compliance with laws, regulations, contracts, and grants applicable to The Fourteenth Judicial District Indigent Defender Board, Parish of Calcasieu, Louisiana, is the responsibility of the Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Board's compliance with certain provisions of laws, regulations, and contracts. However, our objective was not to provide an opinion on overall compliance with such provisions. 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.

We noted the following immaterial instances of noncompliance. During 1995 the Board's bank depository did not adequately secure the Board's public deposits in accordance with state law. This noncompliance did not result in any losses to the Board and the bank depository has taken appropriate action in 1996 to secure the Board's public deposits.

This report is intended for the information of the Board of Directors, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

McElroy, Quirk & Burch

Lake Charles, Louisiana
June 7, 1996