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**THIRTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**
Evangeline Parish, Louisiana

Financial Report

Year Ended 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 AUG 28 1996

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DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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Independent Auditor's Report

To the Board of Directors
Thirteenth Judicial District
Indigent Defender Board
Evangeline Parish
State of Louisiana

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We have audited the accompanying financial statements of the Thirteenth Judicial District Indigent Defender Board, a component unit of the Evangeline Parish Police Jury, primary government, as of and for the year ended December 31, 1995 as listed in the table of contents. These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Thirteenth Judicial District Indigent Defender Board, 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 May 21, 1996 on our consideration of the Thirteenth Judicial District Indigent Defender Board's internal control structure and a report dated May 21, 1996 on the Thirteenth Judicial District Indigent Defender Board's 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 the year ended December 31, 1994, in which we expressed an unqualified opinion on the financial statements of the Thirteenth Judicial District Indigent Defender Board.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 21, 1996

FINANCIAL STATEMENTS

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 Evangeline Parish, Louisiana
 General Fund

Comparative Balance Sheet
 December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
ASSETS		
Cash	\$12,200	\$ 4,733
	<u> </u>	<u> </u>
LIABILITIES AND EQUITY		
Accounts payable	\$ 5,030	\$ 1,388
Payroll taxes payable	<u> 85</u>	<u> 70</u>
Total liabilities	5,115	1,458
Fund balance:		
Unreserved, undesignated	<u> 7,085</u>	<u> 3,275</u>
Total liabilities and fund balance	<u>\$12,200</u>	<u>\$ 4,733</u>

The accompanying notes are an integral part of this statement.

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 Evangeline Parish, Louisiana
 General Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenues:		
Court cost on fines and forfeitures -		
City court	\$21,561	\$17,733
Parish court	37,902	37,562
Bail bond fees	4,942	4,266
Fees for indigents	10,608	7,597
State Grant	<u>21,148</u>	<u>-</u>
Total revenues	<u>96,161</u>	<u>67,158</u>
Expenditures:		
Current operating -		
General government - judicial:		
Salaries	1,800	1,800
Payroll taxes	157	143
Per diem paid board members	475	300
Attorney fees	87,414	60,723
Accounting	2,150	2,000
Insurance	<u>355</u>	<u>372</u>
Total expenditures	<u>92,351</u>	<u>65,338</u>
Excess of revenues over expenditures	3,810	1,820
Fund balance, beginning of year	<u>3,275</u>	<u>1,455</u>
Fund balance, end of year	<u>\$ 7,085</u>	<u>\$ 3,275</u>

The accompanying notes are an integral part of this statement.

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Evangeline Parish, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Thirteenth Judicial District Indigent Defender Board (Board) was created by and in accordance with Louisiana Revised Statute 15:144 for the purpose of employing appointed attorneys to defend indigent defenders. The Board consists of three members appointed by the Thirteenth Judicial District Judge.

The accounting and reporting policies of the Board conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana, Revised Statute 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Board includes all funds and activities that are controlled by the Board as an independent political subdivision of the State of Louisiana. The Board is a component unit of the Evangeline Parish Police Jury, the primary government, but is not included in the financial reporting of the Evangeline Parish Police Jury. Although legally separate, the Board provides services which almost exclusively benefit the Thirteenth Judicial District Court, which is a component unit of the Evangeline Parish Police Jury.

B. 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 each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds are grouped in the financial statements as follows:

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Evangeline Parish, Louisiana

Notes to Financial Statements (Continued)

Governmental Funds -

General Fund

The General Fund is the General Operating Fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Basis of Accounting

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

All governmental funds are accounted for using the Modified Accrual Basis of Accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the Modified Accrual Basis of Accounting when the related fund liability is incurred.

D. Budgets and Budgetary Accounting

The Thirteenth Judicial District Indigent Defender Board is not required to prepare a budget as per LA R.S. 39:1302.

E. Vacation and Sick Leave

The Board has not established a formal policy relating to the vesting and accrual of vacation and sick leave. At December 31, 1995, the Board has no accumulated leave benefits required to be reported in accordance with GASB statement No. 16 "Accounting for Compensated Absences".

F. Encumbrances

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is not employed by the Board as an extension of formal budgetary integration in the funds.

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Evangeline Parish, Louisiana

Notes to Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Board may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1995, the Board had cash deposits (book balances) totaling \$12,200.

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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 1995 were secured as follows:

Bank balances	\$12,200
	<u> </u>
Federal deposit insurance	\$12,200
	<u> </u>

(3) Schedule of Per Diem Paid Board Members

A schedule of per diem paid to board members is as follows:

Gilbert Wayne Aucoin	\$175
Gerald Fontenot	25
Harold Fontenot	25
Gary Ortego	100
Guy Mitchell	<u>150</u>
	\$475
	<u> </u>

(4) Retirement System

Employees of the Board are members of the Social Security System. The Board and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Board; 7.65 percent by the employee). The Board's contribution during the year ended December 31, 1995 amounted to \$138.

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Evangeline Parish, Louisiana

Notes to Financial Statements (Continued)

(5) Loss Contingency

Attorney's Fees Payable -

The Board had a liability of \$255,584 which was due to lawyers who worked for the Board in years past when the Board was not generating revenues. The Board does not expect to be able to pay these fees from their revenues. Under Financial Accounting Standards Board Statement No. 5, a contingency is an existing condition, situation, or set of circumstances involving varying degrees of uncertainty that may, through one or more related future events result in the acquisition or loss of an asset or the incurrence or avoidance of a liability, usually with the concurrence of a gain or loss. The resulting gain or loss is referred to as a gain contingency or a loss contingency. A loss contingency results from the removal of the fees payable of \$255,584. This is not reflected in the income statement, because doing so might result in recognizing expenditures prior to realization.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL AND COMPLIANCE

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Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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Members of the Board of Directors
Thirteenth Judicial District
Indigent Defender Board
Evangeline Parish
State of Louisiana

We have audited the financial statements of the Thirteenth Judicial District Indigent Defender Board, a component unit of the Evangeline Parish Police Jury, primary government, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 21, 1996.

We have 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.

The Thirteenth Judicial District Indigent Defender Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the Board of Directors 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 the Board of Directors 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 the Board's authorization and recorded properly to permit the preparation of 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 financial statements of the Thirteenth Judicial District Indigent Defender Board 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 a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 judgment, 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.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of individuals involved in the operations of the Indigent Defender Board, there was no adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

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 and Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 21, 1996

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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 and regulations, applicable to the Thirteenth Judicial District Indigent Defender Board is the responsibility of the Board of Directors. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Thirteenth Judicial District Indigent Defender Board's compliance with certain provisions of laws and regulations and grants. However, the objective of our audit of the financial statements 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 Governmental Auditing Standards.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 21, 1996

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS