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SIXTEENTH JUDICIAL DISTRICT
INDEPENDENT DEFENSE BOARD
Parishes of Iberville, St. Martin and St. Mary
State of Louisiana
ANNUAL FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
and
INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL AND COMPLIANCE
FOR THE 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: 8-2-96

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INDEPENDENT AUDITORS' REPORT

Members of the Board
Sixteenth Judicial District Indigent
Defender Board
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the Sixteenth Judicial District Indigent Defender Board as set out for the year ended December 31, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the Sixteenth Judicial District Indigent Defender 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 Sixteenth 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 19, 1996 on our consideration of the Sixteenth Judicial District Indigent Defender Board's internal control structure and a report dated May 15, 1996 on its compliance with laws and regulations.

May 15, 1996

Pitts & Matte

SIXTEENTH JUDICIAL DISTRICT
INCIDENT DEFENDER BOARD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1995

	Governmental Fund Type	Account Groups		TOTAL (MEMORANDUM ONLY)
		General Fixed Assets	General Long-Term Debt	
ASSETS AND OTHER DEBITS				
Cash and cash equivalents	\$432,767			\$432,767
Revenues receivable:				
Court costs	43,335			43,335
Fees from indigents				
Current (less allowance of \$53,840)	26,780			26,780
Noncurrent (less allowance of \$225,840)	62,383			62,383
Equipment		\$65,844		65,844
Amount to be provided for retirement of general long-term debt			\$ 255	255
Total assets	\$565,285	\$65,844	\$ 255	\$631,384
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 13,768			\$ 13,768
Payroll taxes payable	1,634			1,634
Deferred revenues	62,383			62,383
Obligation under capital lease			\$ 255	255
Total liabilities	77,785	--	255	78,040
Equity and Other Credits				
Investment in general fixed assets		\$65,844		65,844
Fund Balance				
Unreserved -				
undesignated	507,460			507,460
Total equity and other credits	507,460	65,844	--	573,304
Total liabilities, equity, and other credits	\$185,245	\$65,844	\$ 255	\$651,344

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

SIXTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 1985

Revenues

Court costs	
District courts	\$443,767
City courts	115,021
Net fees from indigents	34,194
Interest	<u>17,846</u>
Total revenues	<u>\$610,828</u>

Expenditures

General government	
Judicial	
Defending attorneys' fees	226,430
Salaries	225,863
Contract labor	3,945
Taxes - payroll	17,787
Professional fees	28,769
Office supplies and expense	11,458
Telephones	12,142
Rent & utilities	8,044
Travel and meetings	4,153
Insurance	37,988
Maintenance	13,874
Dues & subscriptions	4,788
Seminars	1,335
Court cost	480
Bonds	370
Legal advertising	215
Capital outlay	25,695
Debt service	
Principal	864
Interest and bank charges	<u>309</u>
Total expenditures	<u>\$624,543</u>

Excess of revenues over expenditures	3,085
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Fund balance, beginning of year	<u>\$111,575</u>
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Fund balance, end of year	<u>\$117,460</u>
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The accompanying notes are an integral part of these financial statements.

SIXTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1985

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sixteenth Judicial District Indigent Defender Board was established to provide legal defense for persons referred by the courts, as indigents, and who are charged with crimes. The Sixteenth Judicial District Indigent Defender Board includes the parishes of Iberia, St. Martin, and St. Mary, Louisiana.

A. Reporting Entity

This report includes all funds and account groups for which the Board has financial accountability. Financial accountability is determined upon the basis of:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Although the Board is part of the district court system of Louisiana which covers Iberia, St. Martin and St. Mary Parishes, under the criteria as described above, the Board operates independently and is considered an independent reporting entity with regard to the district court system and each of the three parishes.

B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category in turn, is divided into separate "fund types." The Board's current operations require only the use of one fund, the general fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund

General Fund

The General Fund is the general operating fund of the Board. It is used to account for all financial resources of the Board.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The following is a summary of the Board's recognition policies for its major revenue sources:

Court costs and bond forfeitures are recorded when collected by the various courts within the sixteenth judicial district.

Fees from indigents in St. Mary, St. Martin, and Iberia Parishes are recorded upon the receipt of a court order directing indigents to pay for services rendered. In most cases, these fees are scheduled by the court system to be paid over a period of time with initial payments frequently scheduled to begin in future periods. At the time indigents are directed to make payments to the Board, receivables are recorded. Payments scheduled to be received in the current period (within the next twelve months), are recorded as revenue. Payments scheduled to be received subsequent to the current period are recorded as deferred revenue. At the time these deferred revenues are expected to be collected, the amounts recorded as deferred revenue are recognized as revenue. An allowance for uncollectible fees is estimated by the Board based upon collection history.

Interest income is recorded when the investments have matured and the income is available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets

The Board is not required to adopt and did not adopt a budget for the year ended December 31, 1998.

E. Cash And Cash Equivalents

For financial statement purposes, cash and cash equivalents include demand deposits and certificates of deposit.

Cash and cash equivalents are stated at cost, which approximates market.

F. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets are valued at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the general fixed assets account group are not depreciated.

G. Compensated Absences

No liability has been accrued for compensated absences in the financial statements because the amount is immaterial.

H. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not preserve financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Board may deposit funds with 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 Council may also invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved.

Under the provision of the GASB codification, accounts secured by pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

The following is a summary of the cash and cash equivalents and the related federal deposit insurance and related pledged securities as of December 31, 1995:

Cash and cash equivalents - stated value	\$ 450,761
Cash and cash equivalents - bank balance	\$ 460,892
Portion insured by federal deposit insurance	300,000
Collateralized by securities in the Board's name held by the Board or third parties	<u>NONE</u>
Balance uninsured and uncollateralized under GASB codification	160,892
Portion of deposits secured under Louisiana law	<u>185,000</u>
Amount unsecured under Louisiana Law	<u>NONE</u>

NOTE 3 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 1995 follows:

Equipment balance, January 1, 1995	\$39,840
Additions	25,800
Equipment balance, December 31, 1995	<u>\$65,640</u>

NOTE 4 - CAPITAL LEASE

The Board has entered into a lease agreement as lessee for financing the acquisition of equipment with a cost of \$11,754. 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 following is a schedule of the future minimum lease payments under the capital lease, and the present value of the 8% minimum lease payments at December 31, 1995:

<u>Fiscal year ending December 31</u>	<u>General Long- term Debt</u>
1996	\$328
Less: amount representing interest	_21
Present value of future minimum lease payments	<u>\$307</u>

NOTE 5 - PENSION PLAN

All employees participate in the Federal Social Security System. The Board is required to remit an amount to the Social Security Administration equal to the employees' contribution. The Board does not guarantee any of the benefits provided by the Social Security System.

NOTE 6 - LONG TERM DEBT

The following is a summary of changes in the General Long-Term Debt Account Group for the year ended December 31, 1995:

Balance at January 1, 1995	\$1,210
Reductions	<u>955</u>
Balance at December 31, 1995	<u>\$255</u>

See Note 4 for a description of obligations payable at December 31, 1995.

NOTE 7 - NET FEES FROM INDIGENTS

The following is a summary of fees from indigents and the associated adjustments for the year ended December 31, 1985:

Gross fees from indigents	\$ 75,514
Less: Related increases in allowance for uncollectible accounts	(13,623)
Subtotal	61,891
Less: Deferred portion of fees	(23,681)
Net fees from indigents	\$ 38,210

INDEPENDENT AUDITORS' REPORTS ON INTERNAL
ACCOUNTING CONTROL AND COMPLIANCE



a corporation of
various public accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN ASSESS OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Members of the Board
Sixteenth Judicial District
Indigent Defender Board
Franklin, Louisiana

We have audited the general purpose financial statements of the Sixteenth Judicial District Indigent Defender Board, as of and for the year ended December 31, 1982, and have issued our report thereon dated May 15, 1986.

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 general purpose financial statements are free of material misstatement.

The management of the Sixteenth Judicial District Indigent Defender Board, 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 Sixteenth Judicial District Indigent Defender Board, for the year ended December 31, 1975, 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 general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the 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 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.

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 noted a certain matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Sixteenth Judicial District Indigent Defender Board, for the year ended December 31, 1975. A description of this material weakness is included in the material weakness section of this report.

A similar letter issued by us dated May 11, 1993, for the year ended December 31, 1994,, reported one material weakness in internal accounting control. A similar comment is reported in the current period for this condition which was not corrected.

This report is intended for the information of management, members of the board of directors and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Pitts & Metter

CERTIFIED PUBLIC ACCOUNTANTS

May 13, 1996

MATERIALS AND METHODS

SEGREGATION OF DUTIES

Auditors' Comments:

Criteria: An adequate control structure requires proper segregation of duties.

Condition: Upon performing audit tests and inquiring about internal control, we noted that there is very little segregation of duties within the Board's accounting functions. One person handles practically all of the accounting functions of the Board.

Effect: The possibility of errors or irregularities occurring and not being detected in a timely manner increases due to the lack of segregation of duties.

Cause: This condition is caused by a limited number of office personnel and the lack of a system to properly segregate duties.

We understand that subsequent to year end, management has implemented changes in accounting procedures that will alleviate this problem in the future.

Management's Comments

The audit for the year ending December 31, 1995 expressed a concern for the lack of segregation of duties within the Board's accounting functions, noting that one person handles practically all of the accounting functions of the Board. The Board has operated in this way for over eighteen years based upon a cost-benefit analysis of adding additional staff. The Board, however, has recognized that the recent growth of the office has changed the cost-benefit equation, necessitating changes. The auditor has met with the Chief Defender and the office manager to discuss recommended changes in the segregation of duties. The office has implemented these recommendations as of June 27, 1996, subject to approval of the Board.



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

Members of the Board
Sixteenth Judicial District
Indigent Defender Board
Franklin, Louisiana

We have audited the general purpose financial statements of the Sixteenth Judicial District Indigent Defender Board, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 15, 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.

Compliance with laws, regulations, contracts, and grants applicable to the Sixteenth Judicial District Indigent Defender Board, is the responsibility of the Sixteenth Judicial District Indigent Defender Board's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Sixteenth Judicial District Indigent Defender Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose 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 test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Pitts & Matti

CERTIFIED PUBLIC ACCOUNTANTS

May 15, 1986