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THE FOURTEENTH JUDICIAL DISTRICT
PROSECUTOR GENERAL
PARISH OF CALCAINS, LOUISIANA

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ANNUAL GENERAL PURPOSE FINANCIAL REPORT
A COMPROMISE UNIT OF THE CALCAINS PARISH POLICE JURY
ENDORSED 21, 1967

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 MAY 25 1968

THE FOURTEENTH JUDICIAL DISTRICT
 INCIDENT DEFENSE BOARD
 PARISH OF CALCAHOU, LOUISIANA

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INDEPENDENT AUDITOR'S 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, 1999, as listed in the table of contents. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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, 1999, 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 our report dated May 28, 2024 on our consideration of the Fourteenth Judicial District Indigent Defender Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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.

McClary Smith & Burch

Lake Charles, Louisiana
May 28, 2024

THE FOURTHS DISTRICT JUDICIAL DISTRICT
 GRAND JURY REPORT

PARISH OF CALCAHER, LOUISIANA
 ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED FINANCE SHEET
 December 31, 2007

ACCOUNT	GOVERNMENTAL		BUDGETAL OBJECTS		FUNDS			
	Funds:		General	General	Operating	Capital		
	General		Fund	Long-Term	Operating	Capital		
	Fund		Assets	Obligations	2007	2006		
Cash-operating	\$	12,348	\$	-	\$	12,348	\$	18,488
Cash-board account		75,444		-		75,444		1,091
Cash and cash equivalents- restricted fund		81,189		-		81,189		88,831
Restricted assets: Cash-district maintenance fund		281,782		-		281,782		269,458
Receivables: Taxes due on files and fees/charges		45,384		-		45,384		48,587
Accrued interest		48		-		48		84
Fixed assets		-		141,148		141,148		138,782
Amount to be provided for retirement of general long- term obligations		-		-		3,282		3,282
Total assets	\$	518,116	\$	141,148	\$	3,282	\$	512,458
LIABILITIES AND FUND BALANCE								
Liabilities:								
Lease purchase contract	\$	-	\$	-	\$	3,040	\$	6,201
Accounts payable		18,443		-		18,443		18,251
Accounts payable (payable from restricted asset)		17,428		-		17,428		18,739
Payroll taxes payable		948		-		948		1,090
Amount lease payable		18,757		-		3,808		12,484
Other liabilities		3,450		-		3,838		3,782
Total liabilities		52,126		3,282		52,126		43,282
Fund balance:								
Investment in general fixed assets		-		141,148		141,148		148,721
Fund balance:								
Reserved for district maintenance fund		281,782		-		281,782		249,721
Designated for operating costs		81,189		-		81,189		88,831
Unreserved-undesignated		55,465		-		55,465		47,732
Total fund balance		318,436		141,148		318,436		318,282
Total liabilities and fund balance	\$	518,116	\$	141,148	\$	3,282	\$	512,458

See Notes to Financial Statements.

THE FOURTHENE JUDICIAL DISTRICT
 INDEPENDENT DEFENSE BOARD

EXHIBIT B

PARISH OF CALLAHAN, LOUISIANA
 GOVERNMENTAL FUND TYPE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Year Ended December 31, 1997
 With Comparing Account For Year Ended December 31, 1996

	<u>General Fund</u>	
	<u>1997</u>	<u>1996</u>
Revenues:		
Court costs on fines and forfeitures	\$ 869,687	\$ 892,325
Intergovernmental revenues:		
Grants-Louisiana Indigent Defender Board	288,831	288,929
Fees from indigents	4,993	7,320
Use of money and property - interest earnings	22,312	18,288
Reparations without fees reimbursed	<u>8,320</u>	<u>-</u>
Total revenues	<u>\$ 1,193,943</u>	<u>\$ 1,206,862</u>
Expenditures:		
General government-judicial:		
Salaries and related benefits	525,078	481,840
Professional services	228,300	228,189
Litigation support	8,903	5,700
Library	3,846	5,288
Miscellaneous and supplies	18,784	27,568
Travel	5,549	2,920
Rent	64,817	82,400
Telephones	5,754	8,308
Other operating expenditures	23,418	28,212
Capital outlay and equipment	12,428	85,818
Debt service:		
Principal	1,680	1,818
Interest	<u>338</u>	<u>328</u>
Total expenditures	<u>\$ 1,114,174</u>	<u>\$ 1,082,875</u>
Excess of revenues over expenditures	79,769	123,987
Other financing sources:		
Lease purchase contract	<u>-</u>	<u>3,018</u>
Excess of revenues and other sources over expenditures	79,769	126,995
Fund balance, beginning	<u>229,181</u>	<u>229,181</u>
Fund balance, ending	<u>\$ 308,950</u>	<u>\$ 356,176</u>

SEE NOTES TO Financial Statements.

THE FOURTEENTH JUDICIAL DISTRICT
JUDICIAL EXPENSE BOARD

PARISH OF CALCAVIA, LOUISIANA
GOVERNMENTAL FUND TYPE

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

YEAR ENDED DECEMBER 31, 1997

With Comparative Actual Amounts For Year Ended December 31, 1996

	1997		1996	
	Budget	Actual	Variance Favorable Unfavorable	Actual
Revenues:				
Court costs on fines and forfeitures	\$ 177,000	\$ 842,951	\$ 665,951	\$ 671,800
Intergovernmental revenues:				
Grant-Local/State Indigent				
Defender Board	150,000	208,001	58,001	228,000
Fees from indigents	2,000	5,200	3,200	3,000
Use of money and property:				
Interest earnings	2,000	20,200	18,200	18,200
Expert witness fees reimbursed	-	6,500	6,500	-
Total revenues	<u>331,000</u>	<u>1,082,852</u>	<u>748,852</u>	<u>929,000</u>
Expenditures:				
General government-judicial:				
Salaries and related benefits	490,000	520,200	30,200	602,200
Professional services	200,000	208,001	8,001	208,000
Litigation support	20,000	2,700	17,300	0,000
Library	0,000	2,000	2,000	2,700
Materials and supplies	20,000	18,700	1,300	18,000
Travel	0,000	0,000	0,000	0,000
Rent	0,000	0,000	0,000	0,000
Telephone	2,000	0,700	1,300	2,000
Other operating expenditures	0,000	20,400	20,400	17,000
Capital outlay and equipment	<u>10,000</u>	<u>10,000</u>	<u>0,000</u>	<u>10,000</u>
Total expenditures	<u>712,000</u>	<u>780,001</u>	<u>78,001</u>	<u>850,900</u>
Excess of revenues over expenditures (budgetary basis)				
	<u>\$ 319,000</u>	<u>302,851</u>	<u>\$ 116,149</u>	<u>58,100</u>

(Indicated on other page)

THE FOURTH JUDICIAL DISTRICT
JUDICIAL DEFENSE BOARDPARISH OF CALCAHUS, LOUISIANA
GOVERNMENTAL FUND TYPESTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
SPECIAL FUND

Year Ended December 31, 1997

With Comparative Actual Amounts For Year Ended December 31, 1996
(Continued)

	1997		Variance Favorable Unfavorable	1996	
	Budget	Actual		Budget	Actual
Revenues:					
To adjust revenues for accruals		10,280		0,475	
To adjust for other financing sources		-		0,208	
To adjust expenditures for accruals		(17,280)		(24,154)	
Net service:					
principals		18,481		(1,704)	
interest		252		162	
Excess of revenues over expenditures BAMP budget		187,432		64,878	
Fund balance, beginning		358,151		352,283	
Fund balance, ending		\$ 545,383		\$ 417,161	

See notes to financial statements.

THE FOURTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

PARISH OF CALCAHAN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 1997

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

The Indigent Defender Board is composed of six board members appointed by the judges of the Fourteenth Judicial District Courts. Compensation for services is prohibited and members of the Board were paid no per diem payments or compensation during 1997 by the Board for their services on the Fourteenth Judicial District Indigent Defender Board. The Board employs nineteen employees and five contract attorneys.

The Indigent Defender Board is a component unit of the Calcahan Parish Police Jury, the primary government which is financially accountable for the Board. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

NOTES TO FINANCIAL STATEMENTS

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 two governmental fund types, 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 equipment presents increases and decreases in net current assets.

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:

NOTES TO FINANCIAL STATEMENTS

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 revenues. Uncollected revenues that are measurable and available as net current assets of the current period are recognized as revenues. Court costs are considered 'measurable' when in the hands of the various courts. Grant income is considered measurable when received.

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.

NEUTRALITIES 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 disclosures 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 these estimates.

B. 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 revenues in revised monthly. Any revisions that affect 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 1997 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.

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. DEFERRED BENEFITS

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.

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.

NOTES TO FINANCIAL STATEMENTS

1. BAD DEBTS

A reserve for uncollectible receivables had been recorded as of December 31, 1997, as all receivables were considered collectible.

2. 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 agreements.

Designated fund balances:

Designated fund balances represent tentative plans for future use of financial resources. The Board had designated \$81,289 of its general fund equity for anticipated operating costs of the public defender's office as of December 31, 1997 and \$88,920 as of December 31, 1998.

3. 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.

4. TOTAL COLUMNS ON STATEMENTS

The total columns of the statements are captioned numerically 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, 1997 and 1998, the Board had cash and cash equivalents (bank balances) as follows:

	<u>1997</u>	<u>1998</u>
Demand deposits	\$ 477,345	\$ 308,118
Certificates of deposits	75,818	14,191
Daily cash accumulation fund	<u>38,283</u>	<u>38,221</u>
TOTAL	<u>\$ 590,446</u>	<u>\$ 360,530</u>

The Board's deposits for 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, 1997, the Board's deposits as of the balance sheet date are entirely covered by FDIC insurance or by pledge of securities owned by the financial institution in the Board's name. As of December 31, 1998, deposits were 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, 1997 and 1998 classified to give an indication of the level of risk assumed by the Board are as follows:

	<u>Percent</u>	<u>Certificates</u>
December 31, 1997	<u>Depositing</u>	<u>or</u>
		<u>Deposits</u>
Carrying amount	<u>\$ 590,446</u>	<u>\$ 75,818</u>
Bank balances:		
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 308,008	\$ -
b. collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	400,438	75,818
c. Uncollateralized, including any securities held for the entity but not in the entity's name	<u> </u>	<u> </u>
TOTAL bank balances	<u>\$ 590,446</u>	<u>\$ 75,818</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 1997	Demand Deposits	Certificates of Deposits
Carrying amount	<u>\$ 252,682</u>	<u>\$ 24,342</u>
Bank Balances:		
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 108,000	\$ -
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	272,788	24,342
c. Uncollateralized, including any securities held for the entity but not in the entity's name	_____	_____
Total bank balances	<u>\$ 380,788</u>	<u>\$ 24,342</u>

Note 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Furniture and equipment:	
Balance January 1, 1997	\$ 128,723
Additions	<u>22,828</u>
Balance December 31, 1997	<u>\$ 151,551</u>

Note 4. FUNDS - LOUISIANA INDIANT DEFENSE FUND

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 years ended December 31, 1997 and 1996 were as follows:

NOTES TO FINANCIAL STATEMENTS

	<u>1937</u>	<u>1938</u>
Revenues:		
Grants received	\$ 208,031	\$ 216,339
Use of money and property-interest earnings	8,227	8,287
Expert witness fees reimbursed	<u>4,924</u>	<u>-</u>
Total revenues	<u>221,182</u>	<u>224,626</u>
Expenditures:		
Salaries and related benefits	95,051	114,059
Professional services	14,387	45,308
Litigation support	278	3,318
Material and supplies	3,084	3,377
Telephone	461	-
Other operating expenditures	8,287	7,813
Capital outlay and equipment	<u>16,421</u>	<u>62,128</u>
Total expenditures	<u>148,212</u>	<u>236,548</u>
Income revenues over expenditures	<u>\$ 72,970</u>	<u>\$ 88,078</u>

Note 1. 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 2. 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 (FASB Statement 13 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 \$8,128 at December 31, 1937 and 1938. The 1938 lease purchase contract was paid off during 1939 and the equipment was traded in on the new lease purchase contract described above.

NOTES TO FINANCIAL STATEMENTS

Following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at December 31, 1987:

General Year Ended December 31	Long-Term Lease
	<u>Lease</u>
1988	\$ 5,320
1989	378
1990	-
1991	-
1992	<u>1</u>
Total minimum lease payments	6,169
Less amounts representing interest	<u>(242)</u>
Present value of future minimum lease payments	<u>\$ 5,927</u>

Note 3. OPERATING LEASES

Effective August 3, 1983, the Board entered into a five year lease agreement for the rental of office space in the Bank One 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 \$1,320 per month.

The future annual commitments under operating leases are as follows:

	Building and office Expenditures
1988	\$ 17,284
1989	-
1990	-
1991	-
1992	-

NOTES TO FINANCIAL STATEMENTS

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 assets/liabilities of revenues over expenditures for the year ended December 31, 1987 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:

	Component of	Capital	
	Expenditures	Expenditures	Total
Long-term obligations payable at December 31, 1986	\$ 1,808	\$ 4,025	\$ 5,833
Additions	-	-	-
Deductions	-	4,025	4,025
Long-term obligations payable at December 31, 1987	\$ 1,808	\$ -	\$ 1,808

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL BASED ON AN ASPECT OF FINANCIAL STATEMENTS DESCRIBED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Fourteenth Judicial District Indigene Defender Board, Parish of Calcasieu, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 26, 1998. We conducted our 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 Fourteenth Judicial District Indigene Defender Board's financial statements are free of material misstatement, we 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 our audit and, 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Fourteenth Judicial District Indigenous Defender Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters, as described below, involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Fourteenth Judicial District Indigenous Defender Board'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.

Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of responsibilities. Management does intend to continue its involvement in the review and approval of all expenditures.

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 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 considerations 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, we believe the reportable conditions described above are material weaknesses.

We present the following additional comments and suggestions for your consideration:

The Year 2000 Issue.

The Year 2000 Issue results from a computer's inability to process year-date data accurately beyond the year 1999. Except in specially indicated year 2000 compliant programs, computer programmers conventionally have abbreviated dates by eliminating the first two digits of the year, with the assumption that these two digits would always be 99. Thus January 1, 1999, became 1/1/99. Unless corrected, this shorthand is expected to create widespread problems when the clock strikes 12:00:01 a.m. on January 1, 2000. On that date, some computer programs may recognize the date as January 1, 1999, and process data transactionally or stop processing altogether.

The Year 2000 Issue is likely to affect computer applications before January 1, 2000, when systems currently attempt to perform calculations into the year 2000. Furthermore, some software programs use several dates in the year 1999 to mimic something other than the date. Examples of such dates are 01/01/99, 09/09/99, and 11/11/99. As systems process information using these dates, they may produce erratic results or stop functioning.

The Year 2000 Issue presents another challenge - the algorithms used in some computers for calculating leap years is unable to detect that the year 2000 is a leap year. Therefore, systems that are not year 2000 compliant may not register the additional day, and date calculations may be incorrect.

We recommend that you take the necessary actions to immediately begin to identify, modify, and test all systems that may be negatively affected by the Year 2000 Issue, particularly mission-critical systems. This program should be monitored closely to ensure completion before mission-critical systems begin to fail. Such failures may be evident before January 1, 2000. If the Organization fails to take timely and appropriate action, it may experience costly and significant application-program failures that could prevent it from performing its normal processing activities.

Also, the Board should implement additional verification procedures to test the accuracy of information received from its vendors, service providers, bankers, and other third-party organizations with whom it exchanges date-dependent information, because these organizations also must become year 2000 compliant. The Board also should satisfy itself that vendors, service providers, bankers, and other third-party organizations will not experience problems relating to the Year 2000 Issue that could affect the Board's operations or bank flows.

Management has responded that their accounting program has adequately addressed the issue of dates beyond the year 2000. The Board also will review computer programs internally that are not date sensitive and are not affected by this issue. The Board has also been assured by its financial institution that they will be compliant and the issue is currently being addressed.

This report is intended for the information of the Board of Directors, management, and Federal acquiring agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

McGregor, Davis & Bural

Lake Charles, Louisiana

May 20, 1988