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

Financial Report

Year Ended December 31, 1998

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 7-21-99

Receipt Acknowledged
Legislative Auditor

By *L. Lavigne*

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Thirteenth Judicial District Indigent Defender Board, Evangeline Parish, Louisiana, a component unit of the Evangeline Parish Police Jury, *primary government*, as of and for the year ended December 31, 1998, 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, Evangeline Parish, Louisiana, as of December 31, 1998, 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 April 29, 1999 on our consideration of the Thirteenth Judicial District Indigent Defender Board's internal control over financial reporting and our tests of its compliance with certain provisions of 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, 1997, in which we expressed an unqualified opinion on the financial statements of the Thirteenth Judicial District Indigent Defender Board.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
April 29, 1999

FINANCIAL STATEMENTS

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

Comparative Balance Sheet
 December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	<u>\$18,648</u>	<u>\$21,468</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ -	\$ 1,700
Payroll taxes payable	<u>69</u>	<u>70</u>
Total liabilities	69	1,770
Fund balance:		
Unreserved, undesignated	<u>18,579</u>	<u>19,698</u>
Total liabilities and fund balance	<u>\$18,648</u>	<u>\$21,468</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Court cost on fines and forfeitures -		
City court	\$ 42,734	\$ 41,881
Parish court	41,474	41,775
Bail bond fees	3,878	4,684
Fees for indigents	10,012	17,533
State Grant	20,862	41,636
Total revenues	<u>118,960</u>	<u>147,509</u>
Expenditures:		
Current operating -		
General government - judicial:		
Salaries and related benefits	1,941	1,943
Per diem paid board members	600	500
Attorney fees	108,052	128,987
Accounting	3,825	3,525
Insurance	2,016	1,738
Investigation	3,645	1,440
Miscellaneous	-	380
Total expenditures	<u>120,079</u>	<u>138,513</u>
Excess of revenues over expenditures	(1,119)	8,996
Fund balance, beginning of year	<u>19,698</u>	<u>10,702</u>
Fund balance, end of year	<u><u>\$ 18,579</u></u>	<u><u>\$ 19,698</u></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.

A. Basis of Presentation

The accompanying general purpose financial statements of the Thirteenth 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. 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.

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.

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Evangeline Parish, Louisiana

Notes to Financial Statements (Continued)

The funds are grouped in the financial statements as follows:

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.

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. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues:

Court fees, grants and indigent fees are recorded when received because they are not objectively measured.

Expenditures:

Attorney fees, salaries and other expenditures necessary for the operation of the entity are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. 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.

F. 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, 1998, the Board has no accumulated leave benefits required to be reported in accordance with GASB statement No. 16 "Accounting for Compensated Absences".

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
Evangeline Parish, Louisiana

Notes to Financial Statements (Continued)

G. 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.

(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, 1998, the Board had cash deposits (book balances) totaling \$18,648.

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. 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, 1998 were secured as follows:

Bank balances	<u>\$18,648</u>
Federal deposit insurance	<u>\$18,648</u>

(3) Schedule of Per Diem Paid Board Members

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

Gilbert Wayne Aucoin	\$ 200
Gary Ortego	200
Guy Mitchell	<u>200</u>
	<u>\$ 600</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, 1998 amounted to \$142.

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.

(6) Litigation

There is no litigation pending against the Thirteenth Judicial District Indigent Defender Board at December 31, 1998.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL AND COMPLIANCE

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

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, *Evangeline Parish, Louisiana, a component unit of the Evangeline Parish Police Jury, primary government*, as of and for the year ended December 31, 1998, and have issued our report thereon dated April 29, 1999. 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 Thirteenth Judicial District Indigent 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 Thirteenth Judicial District Indigent 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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 Thirteenth Judicial District Indigent Defender Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 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 condition described above is a material weakness.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
April 29, 1999

THIRTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Evangeline Parish, Louisiana

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 1998

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
98-1	Unknown	Due to the small number of employees, the indigent defender board did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Gilbert Aucoin, Coordinator	N/A

Internal Control: