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**SIXTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

Parishes of Iberia, St. Martin and St. Mary
State of Louisiana

**ANNUAL FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

and

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND INTERNAL CONTROL**

FOR THE 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

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INDEPENDENT AUDITORS' REPORT

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

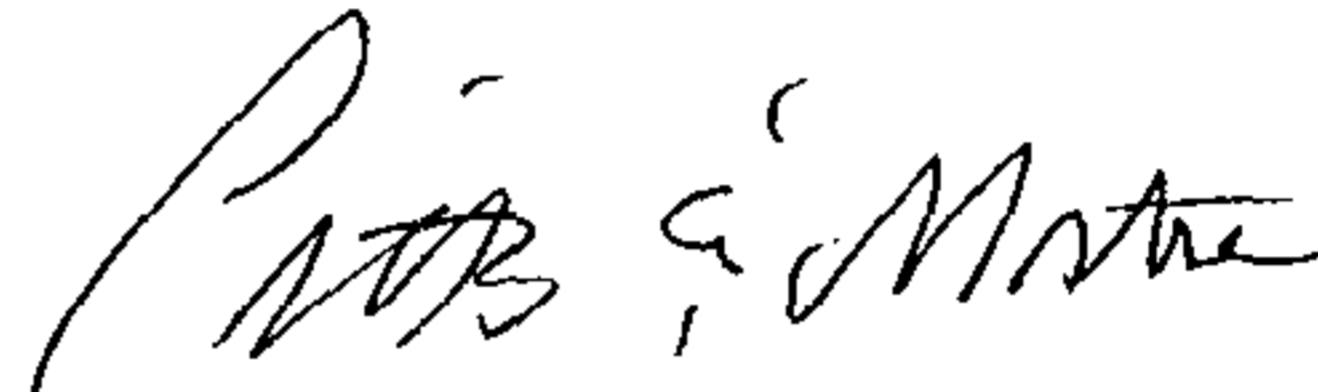
We have audited the accompanying general purpose financial statements of the Sixteenth Judicial District Indigent Defender Board as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Sixteenth Judicial 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 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 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, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The accompanying supplementary information required by the Governmental Accounting Standards Board (GASB) listed in the table of contents is not a required part of the general purpose financial statements but is supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Sixteenth Judicial District Indigent Defender Board is or will become year 2000 compliant, that the year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Board does business are or will be year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued our report dated February 24, 1999, on our consideration of the Sixteenth 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.

A handwritten signature in cursive script, appearing to read "P. B. & M. A.", is written in black ink.

CERTIFIED PUBLIC ACCOUNTANTS

February 24, 1999

SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
ASSETS AND OTHER DEBITS			
Cash and cash equivalents	\$259,414		\$259,414
Revenue receivable:			
Court costs	100,108		100,108
Fees from indigents			
Current (less allowance of \$64,466)	31,752		31,752
Noncurrent (less allowance of \$258,836)	127,486		127,486
Equipment		\$116,235	116,235
	<hr/>	<hr/>	<hr/>
Total assets	\$518,760	\$116,235	\$634,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts payable	\$17,250		\$17,250
Payroll taxes payable	9,352		9,352
Deferred revenue	127,486		127,486
	<hr/>	<hr/>	<hr/>
Total liabilities	154,088		154,088
	<hr/>	<hr/>	<hr/>
Equity and Other Credits			
Investment in general fixed assets		\$116,235	116,235
Fund Balance - Unreserved/Undesignated	364,672		364,672
	<hr/>	<hr/>	<hr/>
Total equity and other credits	364,672	116,235	480,907
	<hr/>	<hr/>	<hr/>
Total liabilities, equity, and other credits	\$518,760	\$116,235	\$634,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 1998

Revenues	
Court costs	
District courts	\$530,651
City courts	234,280
Net fees from indigents	38,012
District Assistance Funds	132,086
Interest	11,770
Total revenues	<u>946,799</u>
Expenditures	
General government	
Judicial	
Defending attorneys' fees	238,951
Salaries	410,429
Taxes - payroll	48,487
Professional fees	37,545
Office supplies and expense	16,731
Telephone	19,713
Rent & Utilities	31,153
Equipment rental	6,907
Travel and meetings	7,973
Insurance	84,363
Maintenance	791
Dues & subscriptions	5,934
Seminars	450
Court cost	844
Bonds	919
Collection fee expense	761
Capital outlay	6,258
Total expenditures	<u>918,209</u>
Excess of revenues over expenditures	28,590
Fund balance, beginning of year	<u>336,082</u>
Fund balance, end of year	<u>\$364,672</u>

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

SIXTEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1998

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 present 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, 1998:

Cash and cash equivalents - stated value	<u>\$259,414</u>
Cash and cash equivalents - bank balance	267,151
Portion insured by federal deposit insurance	232,673
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	34,478
Portion of deposits secured under Louisiana law	<u>34,478</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, 1998 follows:

Equipment balance, January 1, 1998	\$109,977
Additions	<u>6,258</u>
Equipment balance, December 31, 1998	<u>\$116,235</u>

NOTE 4 - 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 granted by the Social Security System.

The Sixteenth Judicial District Indigent Defender Board established a defined contribution pension plan administered by an insurance agent. This plan is a simple IRA.

Plan members may contribute up to a maximum of \$6,000 and the Board will match up to a maximum of three percent of the employees' salary. The Board's actual contributions to the plan were \$16,552 for the year ended December 31, 1998, and the plan members actual contributions were \$33,178.

NOTE 5 - NET FEES FROM INDIGENTS

The following is a summary of fees from indigents and its associated adjustments for the year ended December 31, 1998:

Gross fees from indigents	\$ 67,447
Less: Related increase in allowance or uncollectible accounts	<u>(23,420)</u>
Subtotal	44,027
Less: Deferred portion of fees	<u>(6,015)</u>
Net fees from indigents	<u>\$ 38,012</u>

NOTE 6 - RISKS AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against most of these perils.

There were no significant reductions in insurance coverages from prior years.

NOTE 7 - AMOUNTS CURRENTLY DUE FROM GOVERNMENTAL ENTITIES

The following is a detail of amounts currently due from governmental entities at December 31, 1998:

St. Mary District Court	\$15,260
St. Martin District Court	14,738
Iberia District Court	13,543
District Assistance Fund	35,000
Jeanerette City Court	105
New Iberia City Court	4,543
Franklin City Court	1,102
Breaux Bridge City Court	1,697
Berwick City Court	1,260
Morgan City City Court	8,015
Patterson City Court	<u>4,845</u>
	<u>\$100,108</u>

NOTE 8 - CONCENTRATIONS

The Board received eighty percent of its revenues from various courts in the district in the form of court costs. Fifty-six percent is collected from district courts and twenty-four percent from city courts.

SUPPLEMENTARY INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
YEAR 2000 INFORMATION

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as 1999.

The Board has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Board operations. In 1998, the Board identified the following systems requiring year 2000 remediation:

Hardware and network systems

Management arranged for an outside computer consultant to upgrade necessary hardware and systems software in 1999. The cost for remediation is estimated to be between \$6,000 and \$10,000. After remediation, the system will need to be validated and tested.

Financial reporting and payroll

Management has upgraded all of its financial reporting and payroll software. The system has not been validated or tested.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING**



**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
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, 1998, and have issued our report thereon dated February 24, 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 Sixteenth Judicial District Indigent Defender Board's general purpose 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.

A similar letter issued by us dated June 5, 1998, for the year ended December 31, 1997 reported no instances of noncompliance.

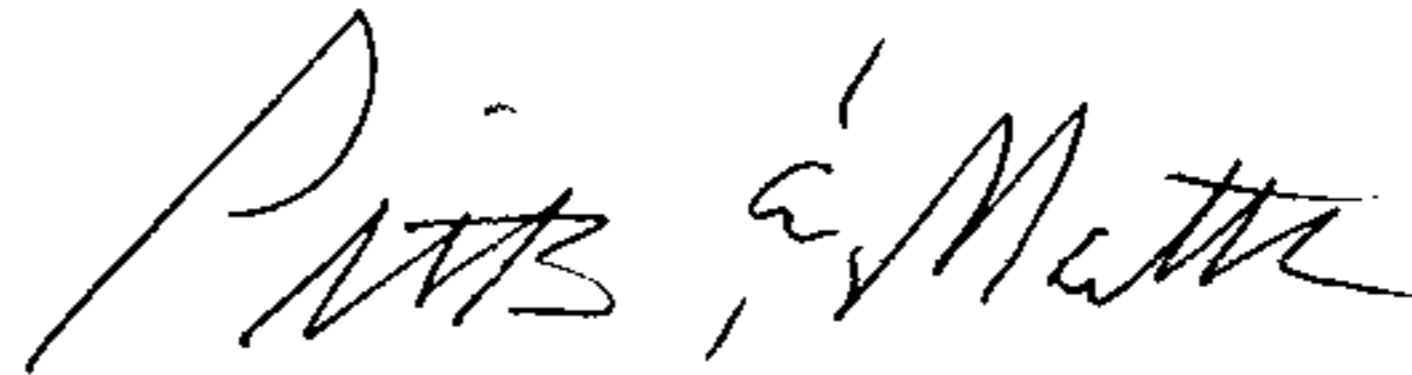
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sixteenth 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 general

purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

A similar letter dated June 5, 1998, for the year ended December 31, 1997, related to internal control, reported no material weaknesses.

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

A handwritten signature in cursive script, appearing to read "Pitts & Mott".

CERTIFIED PUBLIC ACCOUNTANTS

February 24, 1999