

RECEIVED
LEGISLATIVE AUDITOR

95 JUL -2 PM 3:12

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana**

**Component Unit Financial Statements
and Independent Auditors' Report
As of and 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 8-21-96

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Component Unit Financial Statements and Independent Auditors' Report
As of and for the Year Ended December 31, 1995

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	2
Component Unit Financial Statements - Governmental Fund Type - General Fund:	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balance	4
Notes to the Financial Statements	5-8
Additional Reports:	9
Independent Auditors' Report on Internal Control Structure Related Matters Noted in a Financial Statement Audit Conducted in Accordance with with <i>Government Auditing Standards</i>	10-11
Independent Auditors' Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12
Additional Financial Information:	13
Schedule of Compensation Paid and Accrued to Board Members	14

KRIELOW, GILLESPIE & CO.

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

510 N. CUTTING

P. O. DRAWER 918

JENNINGS, LA 70546

(318) 824-5007

INDEPENDENT AUDITORS' REPORT

Thirty-First Judicial District Indigent Defender Board
Jefferson Davis Parish, Louisiana

We have audited the accompanying component unit financial statements of the Thirty-First Judicial District Indigent Defender Board, as of December 31, 1995, and for the year then ended. These component unit financial statements are the responsibility of the Thirty-First Judicial District Indigent Defender Board, management. Our responsibility is to express an opinion on these component unit 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Thirty-First 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.

Our audit was conducted for the purpose of forming an opinion on the component unit financial statements taken as a whole. The schedules listed as additional financial information in the table of contents are presented for purposes of additional analysis and are not a required part of the component unit financial statements of the Thirty-First Judicial District Indigent Defender Board. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

Krielow, Gillespie & Co.

Certified Public Accountants

Jennings, Louisiana
May 31, 1996

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
(All Fund Types and Account Groups)

Balance Sheet as of December 31, 1995

ASSETS

Cash in bank	\$	43,771
Receivables-fines and forfeitures		<u>11,137</u>
 TOTAL ASSETS	 \$	 <u>54,908</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Professional services payable	\$	<u>17,500</u>
Total Liabilities	\$	<u>17,500</u>

Fund Equity:

Fund balance-unreserved-undesignated	\$	<u>37,408</u>
Total Fund Equity	\$	<u>37,408</u>

TOTAL LIABILITIES AND FUND EQUITY	\$	<u>54,908</u>
-----------------------------------	----	---------------

The Accompanying Notes Are An Integral Part Of This Statement.

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana
GOVERNMENTAL FUND TYPE-GENERAL FUND

State of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 1995

REVENUES

Fines and forfeitures	\$ 276,068
Total Revenues	<u>\$ 276,068</u>

EXPENDITURES

General governmental-judicial:	
Professional services	\$ 236,510
Contracted services	800
Seminars	1,525
Miscellaneous	30
Total Expenditures	<u>\$ 238,865</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES \$ 37,203

FUND BALANCE AT BEGINNING OF PERIOD 205

FUND BALANCE AT END OF PERIOD \$ 37,408

The Accompanying Notes Are An Integral Part Of This Statement.

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

INTRODUCTION

The Thirty-First Judicial District Indigent Defender Board, established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district court level. The judicial district encompasses Jefferson Davis Parish. The board is composed of five members who are appointed by the district court. Board members serve without compensation. Revenues to finance the board's operations are provided from court costs on fines imposed by the district court. The chairman of the indigent defender board provides office space, supplies, and administrative services on a voluntary basis.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Thirty-First 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

Section 210 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

The indigent defender board is part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the jury has approval authority over its capital budget. As a result, the indigent defender board was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Indigent Defender Board of the 31st Judicial District and do not present information of the police jury, the general governmental services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

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 resources.

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 board's records are maintained on a cash basis of accounting. However, the general fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues

Court costs on fines and forfeitures are recorded in the month that the amounts are collected by the appropriate courts.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

The indigent defender board did not adopt a budget for the General Fund. Therefore, the financial statements do not reflect a comparison of revenues and expenditures to budget.

According to attorney general opinion 82-531, the board is not a political subdivision within the meaning of the Louisiana Local Government Budget Act. As a result, the board is not required to adopt a budget under law.

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

F. ENCUMBRANCES

The board does not utilize formal encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the board may deposit funds 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.

H. FIXED ASSETS

The board has no fixed assets as discussed in item D above.

I. PENSION PLAN

The board has no employees and therefore no participation in any of the public employee retirement systems.

J. LONG-TERM OBLIGATIONS

The board has no outstanding long-term obligations.

2. CASH AND CASH EQUIVALENTS

At December 31, 1995, the board had cash and cash equivalents (book balances) totaling \$43,771 as follows:

Non-interest-bearing demand deposits	<u>\$ 43,771</u>
--------------------------------------	------------------

At December 31, 1995, the board had \$43,771 in deposits (collected bank balances). These balances were fully secured from risk by federal deposit insurance.

3. LITIGATION

There is no litigation pending against the board at December 31, 1995.

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

4. RELATED PARTY TRANSACTIONS

The District has entered into contracts with five attorneys to provide criminal defense legal services to the Thirty-First Judicial District Court, Ward 2 Court and the Jennings City Court as appointed by the presiding judge of each court. Under the terms of each contract each attorney is paid the lesser of the following sum: 1) \$60,000; or 2) a prorata split (depending on the number of contract attorneys) of the monthly Thirty-First Judicial District Indigent Defender Board's net proceeds, after deducting actual and necessary expenses, including but not limited to transcription fees, investigatory expenses, seminar expenses, travel expenses, non-volunteer attorney fees, etc., which are approved by the board. The five attorneys that the District contracts its criminal defense legal services with also make up the entire Board of the District.

Compensation paid and accrued to board members during the year amounted to \$236,510. At year end the board members were owed \$17,500.

ADDITIONAL REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Thirty-First Judicial District Indigent Defender Board
Jefferson Davis Parish, Louisiana

We have audited the component unit financial statements of the Thirty-First Judicial District Indigent Defender Board, for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, *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 component unit financial statements are free of material misstatement.

In planning and performing our audit of the component unit financial statements of the Thirty-First Judicial District Indigent Defender Board, for the year ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the Thirty-First 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 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Revenue, Receivables, and Receipts
Expenditures for Goods and Services and Accounts Payable

For all of the control categories listed above, 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.

We noted one 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 component unit financial statements.

The only matter which we consider to be a reportable condition related to a deficiency in the control structure design. Due to the limited number of personnel involved in the accounting system, it is not feasible to have an adequate overall internal control structure.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit 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 the following reportable condition that we believe to be a material weakness.

Because of the limited number of personnel involved in the accounting system, it is not feasible to have an adequate overall internal control structure. This deficiency in internal control structure could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

This report is intended for the information of the Indigent Defender Board, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
May 31, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Thirty-First Judicial District Indigent Defender Board
Jefferson Davis Parish, Louisiana

We have audited the component unit financial statements of the Thirty-First Judicial District Indigent Defender Board, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Louisiana Governmental Audit Guide. Those standards and the Louisiana Governmental Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Thirty-First Judicial District Indigent Defender Board, is the responsibility of Thirty-First Judicial District Indigent Defender Board, management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Thirty-First Judicial District Indigent Defender Board, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Board had not complied, in all material respects, with those provisions.

This report is intended for the information of the Indigent Defender Board, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
May 31, 1996

ADDITIONAL FINANCIAL INFORMATION

THIRTY-FIRST JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Jefferson Davis Parish, Louisiana
SCHEDULE OF COMPENSATION PAID AND ACCRUED TO BOARD MEMBERS
For the Year Ended December 31, 1995

	<u>Professional Services</u>
Steve Gunnell	\$ 47,302
Tim Cassidy	47,302
Robert Mark Romero	47,302
Richard Arceneaux	47,302
David E. Marcantel	<u>47,302</u>
 Total	 <u>\$ 236,510</u>