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FIFTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD

FINANCIAL STATEMENTS  
December 31, 1997

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 JUL 08 1998

PREPARED BY:

JOHN M. GATHINGS  
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John M. Gathings  
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318/428-3549

P.O. BOX 1088

June 27, 1996

RE: Fifth Judicial District  
Indigent Defender Board  
Management Letter

John Haychock, Jr., President  
And Members of the Fifth Judicial  
District Indigent Defender Board  
Winnaboo, Louisiana 71295

Sirs:

I have completed the audit for the year ended December 31, 1995. I appreciated the opportunity to serve as your auditor. I found no situations during this audit that needs the Board's immediate attention.

If I can be of any further assistance, do not hesitate to contact me at the address or telephone number listed above.



JOHN M. GATHINGS  
CERTIFIED PUBLIC ACCOUNTANT

cc: Daniel Nyle, Legislative Auditor

FIFTH JUDICIAL DISTRICT  
INDICENT DEFENDER BOARD  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 1997

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Mr. John Hochick, Jr., President  
And Members of the Fifth Judicial District  
District Indigent Defender Board  
Winnsboro, Louisiana 71296

**INDEPENDENT AUDITOR'S REPORT**

Sirs:

I have audited the general purpose financial statements of the Fifth Judicial District Indigent Defender Board (the Board) as of and for the year ended December 31, 1997, as listed in the table of contents, and have issued my report thereon dated June 24, 1998. These general-purpose financial statements are the responsibility of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole.

In my opinion, the general purpose financial statements referred to above, present fairly, in all material respects, the financial position of the Board as December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

---

John M. Gathings  
Certified Public Accountant

OAK GROVE, LOUISIANA  
JUNE 24, 1998

**JOHN M. GATHINGS**  
Certified Public Accountant  
Hwy. 2 East - Oak Grove, Louisiana 71263

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

Mr. John Hoytlick, Jr., President  
and Members of the Fifth Judicial  
District Indigent Defender Board  
Winnsboro, Louisiana 71296

I have audited the general purpose financial statements of the Fifth Judicial District Indigent Defender Board (the Board) as of and for the year ended December 31, 1997, and have issued my report thereon dated June 24, 1998.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing my audit of the financial statements of the Board for the year ended December 31, 1997, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by it 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, I have classified the significant internal control structure policies and procedures in the following categories: Cash, Cash receipts/fees/rents, and Expenditures/Cash disbursements.

For the above named internal control structure categories, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control used in administering the financial transactions of the Board. Accordingly, I do not express an opinion on the system of internal accounting control used in administering the financial transactions of the Board. However, my study and evaluation disclosed no conditions that I believe to be a material weakness.

This report is intended for the information of the Board, and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

---

JOHN M. GATHROG, CPA  
Certified Public Accountant

OAK GROVE, LOUISIANA  
JUNE 24, 1990

**JOHN M. GATHINGS**  
**Certified Public Accountant**  
 **Hwy. 2 East - Oak Grove, Louisiana 71263**

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

Mr. John Hopfick, Jr., President  
and Members of the Fifth Judicial  
District Indigent Defender Board  
Winnboro, Louisiana 71296

I have audited the general purpose financial statements of the Fifth Judicial District Indigent Defender Board (the Board) as of and for the year ended December 31, 1997, and have issued my report thereon dated June 24, 1998.

My examination was made in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations is the responsibility of the Board. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Board's compliance with certain provisions of laws and regulations. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate that with respect to the items tested, the Board complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Board had not complied, in all material respects, with these provisions.



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

---

JOHN M. GATHINGS  
CERTIFIED PUBLIC ACCOUNTANT

DAK GROVE, LOUISIANA  
JUNE 24, 1998

FIFTH JUDICIAL DISTRICT  
 INDIGENT DEFENDER BOARD  
 Combined Balance Sheet  
 All Fund Types and Account Groups

December 31, 1997

Governmental  
 Fund Type

General  
 Fund

**ASSETS:**

|                     |          |
|---------------------|----------|
| Cash in Bank        | \$13,767 |
| Investments         | 132,887  |
| Accounts Receivable | 7,513    |

|                     |                  |
|---------------------|------------------|
| <b>TOTAL ASSETS</b> | <b>\$153,857</b> |
|---------------------|------------------|

**LIABILITIES and FUND BALANCE:**

**LIABILITIES:**

|                  |       |
|------------------|-------|
| Accounts Payable | \$750 |
|------------------|-------|

**FUND BALANCE:**

|                       |           |
|-----------------------|-----------|
| Undesigned-unreserved | \$153,107 |
|-----------------------|-----------|

|   |                  |
|---|------------------|
| <b>TOTAL LIABILITIES and FUND BALANCE</b> | <b>\$153,857</b> |
|---|------------------|

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

FIFTH JUDICIAL DISTRICT  
 INDIGENT DEFENDER BOARD  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED

December 31, 1997

|   | Governmental<br>Fund Type |
|---|---------------------------|
|   | General<br>Fund           |
| <b>REVENUES:</b>                            |                           |
| Court costs and fines                       | \$138,217                 |
| Grant                                       | 5,000                     |
| Other - Interest                            | 8,688                     |
| <b>TOTAL REVENUES:</b>                      | <b>\$151,905</b>          |
| <b>EXPENDITURES:</b>                        |                           |
| Accounting fees                             | \$2,700                   |
| Professional services                       | 144,015                   |
| Officers' Compensation                      | 1,200                     |
| Other                                       | 547                       |
| Office Expenses                             | 5,000                     |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$153,462</b>          |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>(\$1,447)</b>          |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>    | <b>\$154,654</b>          |
| <b>FUND BALANCE AT THE END OF YEAR</b>      | <b><u>\$153,107</u></b>   |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

**FIFTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1997**

**INTRODUCTION**

**REPORTING ENTITY**

The Fifth 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 the parishes of Franklin, Richland, and West Carroll, Louisiana. The Board is composed of members who are appointed by the district court. Revenues to finance the Board's operations are primarily provided from court costs on fines imposed by the district court.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Fifth 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. FUND ACCOUNTING**

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one fund category and one fund category and one fund type as follows:

**GOVERNMENTAL FUNDS - General Fund -** The General Fund is the operating fund of the Board. It is used to account for all financial resources.

**FIFTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1997**

**GENERAL FIXED ASSETS AND LONG-TERM OBLIGATIONS** – The Board has no fixed assets or long-term obligations at December 31, 1997.

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**BUDGETS AND BUDGETARY ACCOUNTING**

Local indigent defender boards are not political subdivisions within the meaning of the Louisiana Local Government Budget Act. Thus, no obligation exists to prepare a budget for the Board's funds.

**NOTE 2: GENERAL OPERATIONS**

The General Fund receives court costs levied for criminal offenses and remitted to the Board by the respective parish Sheriffs. This fund serves as the operating fund of the Board.

**NOTE 3: CASH**

The Board's cash consists of demand deposits that are insured by federal deposit insurance and stated at cost.

**NOTE 4: INVESTMENTS**

The Board purchased \$40,000 in Bank of America CD's yielding 5.35% interest with a maturity on January 7, 1998. On December 31, 1997 the Board had an additional amount of \$5,805 in Floody Assets bringing total investment in Merrill Lynch to \$45,804.55. The current market value of the account as of December 31, 1997 is \$45,003.66. All investments are stated at cost.

**FIFTH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1997**

**NOTE 5: RECEIVABLES**

The Board's receivables consist of court costs collected in 1997 and remitted to the Board in 1998.

**NOTE 6: ACCOUNTS PAYABLE**

The Board's accounts payable consist of monthly bills owed for the month of December and remitted in January 1998.

**NOTE 6: COMPENSATION**

The governing board received \$1,200.00 for the year six per diem for their services.

**NOTE 7: CASH AND CASH EQUIVALENTS**

The Board had \$15,767.16 in checking account number 0011031 as of December 31, 1997. On February 1, 1998 the Board voted to invest \$40,000.00 in Treasury Bonds and to use Merrill Lynch brokerage house as their agent. See Note 4 for details. On July 19, 1997 the board purchased CD # 002177 in the amount of \$64,976.93 from Hibernia Bank. This made the balance in Hibernia Bank in excess of \$100,000.00. Hibernia has pledged Federal Securities, with a Book Value of \$30,731, to cover the balance of the funds that exceed the \$100,000 FDIC coverage.