

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CASH IN BANK

Under State law, the Louisiana State Law Institute may deposit funds in an approved bank located in the State. These public deposits 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 bank.

At June 30, 1998, the carrying amount of the Louisiana State Law Institute's deposit was \$73,473 and the bank balance was \$87,105. The entire bank balance was covered by federal depository insurance (Category T).

NOTE 5. LITIGATION, CLAIMS, AND SIMILAR CONTINGENCIES

Losses arising from litigation, claims, and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims, and similar contingencies are not recognized in the accompanying financial statements.

NOTE 6. DEFERRED COMPENSATION PLAN

The State of Louisiana offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all state employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan) subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS

Year Ended June 30, 1995

The reportable condition described on page 10 is a repeat finding from prior years.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

SCHEDULE OF INTERNAL CONTROL STRUCTURE REPORTABLE CONDITION
For the Year Ended June 30, 1996

Inadequate segregation of duties

Condition:

The Institute is not large enough to permit an adequate segregation of employee duties for effective internal control over the purchasing (invoice approval, processing and general ledger) and reporting (journal entry preparation, approval and recodification) cycles.

Criteria:

The processing of purchases and journal entries under the control of one person represents a failure to segregate the incompatible accounting activities.

Effect:

The effect is such that errors, either intentional or unintentional, in the processing of purchases and journal entries could occur and not be detected in a timely manner and in the ordinary course of operations.

Cause:

The size of the Institute and the limited number of employees does not permit an adequate segregation of incompatible duties.

Recommendation:

Due to the size of the Institute's operations, it does not have sufficient staff to establish adequate segregation of duties. Management should consider if the cost associated with reducing this deficiency in the design or operation of the internal control structure is considered to be justified.

Auditee response:

Management has noted this condition and has determined that the cost necessary to establish adequate segregation of duties is not justifiable at the current time.

We noted a 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 as described in the accompanying schedule of internal control structure reportable condition. 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 financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the 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 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 believe the reportable condition described in the accompanying schedule of internal control structure reportable condition is a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Louisiana State Law Institute for the year ended June 30, 1996.

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

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

November 1, 1996



United
Fiduciary
Accountants

Business
Advisors

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Randy Ewing, Co-Chair
Honorable Huntington B. Downer, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Louisiana State Law Institute, State of Louisiana, as of and for the year ended June 30, 1995, and have issued our report thereon dated November 1, 1995.

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

The management of the Louisiana State Law Institute 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.

In planning and performing our audit of the financial statements of the Louisiana State Law Institute for the year ended June 30, 1995, we determined an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



Public
Audit
Account

James
Mason

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

Honorable Randy Ewing, Co-Chair
Honorable Huntington B. Downer, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana State Law Institute, State of Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated November 1, 1998.

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.

Compliance with laws, regulations, contracts, and grants applicable to the Louisiana State Law Institute is the responsibility of the Institute's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Institute's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of non-compliance that is required to be reported under Government Auditing Standards.

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

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.
November 1, 1998

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

SCHEDULE OF PROFESSIONAL SERVICES
For the Year Ended June 30, 1996

John Coffee	\$ 12,000
William E. Crawford	5,500
Cary DeBessonet	7,500
Robert Force	1,375
Kenneth Ford	8,500
Lee Hatgrave	5,500
Thomas A. Havell	5,500
William D. Hawkland	3,500
Cherney C. Joseph, Jr.	2,125
Howard W. L'Etindant, Jr.	4,250
Saul Livinoff	8,500
Patrick H. Martin	4,250
Lucy S. McGeagh	5,500
George W. Pugh	1,375
Gerard A. Rault, Jr.	1,375
Cynthia Samuel	2,900
Katherine S. Spahr	5,500
Sybilyn Symeonides	5,500
A. M. Yonopoulos	8,500
	<hr/>
	\$ 80,250

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER COSTS

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

NOTE 8. DUE TO OTHER GOVERNMENTAL UNITS

Amounts due to other governmental units at June 30, 1999, consists of unexpended appropriations due the State Treasurer, State of Louisiana, in the amount of \$78,000.



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INDEPENDENT AUDITOR'S REPORT

Honorable Randy Ewing, Co-Chair
Honorable Huntington B. Covert, Jr., Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Louisiana State Law Institute, State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the Louisiana State Law Institute's management. 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.

As described in Note 1, the financial statements of the Louisiana State Law Institute, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the financial reporting entity of the State of Louisiana.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Louisiana State Law Institute, State of Louisiana, as of June 30, 1999, 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 financial statements taken as a whole. The schedule on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements of the Louisiana State Law Institute, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENTS

and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits of both plans are guaranteed by the state of Louisiana under provisions of the Louisiana constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (504) 922-0660; or by writing to Teachers' Retirement System of Louisiana, Post Office Box 84123, Baton Rouge, Louisiana, 70804-9123, or by calling (504) 925-8448.

Funding Policy

Plan members of the Louisiana State Law Institute are required by state statute to contribute 7½% and 8% of their annual covered salary to LASERS and TRS, respectively and the Institute (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 10% and 10½% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established by, and amended by state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The Institute's employer contributions to LASERS and TRS for the years ending June 30, 1996, 1995, and 1994, which were equal to the required contributions for each year, were as follows:

Year	LASERS	TRS	Total
1996	\$ 44,352	\$ 8,809	\$ 53,161
1995	41,895	8,388	50,283
1994	40,457	8,088	48,545

NOTE 3. FURNITURE, FIXTURES AND EQUIPMENT

At June 30, 1996, the Louisiana State Law Institute had an inventory totaling \$422,500 of furniture, fixtures and equipment or movable property. The following summarizes transactions during the year:

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Furniture, fixtures and equipment	\$ 118,762	\$ 9,402	\$ 4,919	\$ 123,245

NOTES TO FINANCIAL STATEMENTS

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 1996, annual leave of up to 300 hours, for which employees could be paid upon resignation or retirement, and compensatory leave, computed in accordance with the Certification of Governmental Accounting and Financial Reporting Standards Section C&F 105, total \$36,888.

The following are the changes in compensated absences (general long-term obligation) during the year:

Balance July 1, 1995	Net Change	Balance June 30, 1996
\$ 36,888	\$ 1,001	\$ 38,889

H. Postretirement Benefits

The Louisiana State Law Institute provides certain health care and life insurance benefits for retired employees. Substantially all of the Institute's employees may become eligible for these benefits if they reach normal retirement age while working for the Institute. These benefits for retirees and similar benefits for active employees are provided through the State's Group Benefit Program whose monthly premiums are paid jointly by the employee and the Institute. The cost of retiree health care and life insurance benefits are recognized as expenditures when paid. For the year ended June 30, 1996, these costs totaled \$1,041 which covered 1 retired employee, funded through the legislative appropriation. Retirees pay 1/2 of the cost of their benefits.

I. Total Column on Balance Sheet

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. RETIREMENT SYSTEM

Plan Description

Substantially all employees and members of the Institute participate in the Louisiana State Employee's Retirement System (LASERS) or the Teacher's Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. These plans provide retirement, disability,

NOTES TO FINANCIAL STATEMENTS

D. Fixed Assets

The accompanying statements reflect furniture, fixtures, and equipment used by the Louisiana Law Institute and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost in the General Fixed Asset Account Group. Fixed assets are not depreciated.

The accompanying statements do not include the value of land and buildings provided without cost to the Louisiana Law Institute by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

E. Budgetary Practices

The Louisiana State Law Institute is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The Institute is authorized to transfer budget amounts between accounts in the General Fund. Revisions which alter total appropriations must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year-end and require that all unexpended or unencumbered funds must be returned to the State General Fund.

F. Encumbrances

Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated. Encumbrances are an allowable charge against the current-year appropriation. There were no encumbrances at year end.

G. Leave Benefits

Accumulated unpaid annual, sick, and compensatory leave are reported in the General Long-Term Obligation Account Group within the accompanying financial statements. The Institute's employees accrue unlimited amounts of annual and sick leave at staying rates as established by the Institute's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

NOTES TO FINANCIAL STATEMENTS

Account Groups

The account groups are a reporting device designed to provide accountability for certain long-term assets and liabilities that are not recorded in the funds because they do not directly affect net expendable, available financial resources.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenues

The governmental fund is accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available. The revenues susceptible to accrual are state appropriations.

Expenditures

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

Statement C is not intended to reflect operations of the Louisiana State Law Institute in accordance with generally accepted accounting principles in that salaries and related benefits are recognized when paid unless specific authorization is provided in the annual legislative appropriation.

The statement is intended to compare the annual budget, which is not prepared in accordance with generally accepted accounting principles with comparable expenditures for the period.

During the 1995 fiscal year, the Louisiana State Law Institute changed its method of financial reporting from a budgetary method to generally accepted accounting principles. In the opinion of Management, such statements more accurately reflect the activities of the Institute.

Statement B reflects an adjustment of \$(10,516) to restate beginning fund balance for the accounting change. This adjustment is for salaries and related benefits payable as of June 30, 1995.

**LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana State Law Institute, domiciled at the Law School of Louisiana State University, is chartered, created, and organized as an official advisory law revision commission, law reform agency and legal research agency of the State of Louisiana, and a part of the legislative branch of government. The Institute was created in accordance with Title 24, Chapter 4 of the Louisiana Revised Statutes of 1985.

Governmental accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

A. Financial Reporting Entity

Application of Section 2-100 of the GASB Codification defines the governmental reporting entity (in relation to the Louisiana State Law Institute) to be the State of Louisiana. The accompanying financial statements of the Louisiana State Law Institute contain sub-account information of the General Fund and account groups of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

B. Fund Accounting

The Louisiana State Law Institute uses fund accounting (separate sets of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The fund and account groups presented in the accompanying financial statements, and as described below, comprise the General Fund and account groups of the Louisiana State Law Institute:

Governmental Fund Type

General Fund

The General fund is used to account for all of the Louisiana State Law Institute's general activities, including the acquisition of general fixed assets and the servicing of general long-term debt. It is used to account for all activities of the Law Institute.

**LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA**

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

For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State appropriations	\$ 852,266	\$ 852,266	\$ -
EXPENDITURES			
Personnel services	554,028	552,428	22,498
Travel	69,000	51,098	37,902
Operating services	65,898	68,478	17,022
Supplies	8,000	8,200	(200)
Professional services	66,500	66,250	1,250
Other fees and services	63,321	66,278	8,082
Capital outlay	4,001	12,622	(8,481)
Total expenditures	<u>852,266</u>	<u>854,256</u>	<u>78,000</u>
Excess of revenues over expenditures	-	78,000	78,000
OTHER FINANCING USE			
Transfer to the State Treasury, General Fund	<u>-</u>	<u>(78,000)</u>	<u>(78,000)</u>
Excess of revenues over expenditures and other financing use	-	-	-
Fund balance, beginning (non-GAAP basis)	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending (non-GAAP basis)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Adjustments to generally accepted accounting principles:			
Accrued payroll not budgeted in the current year		<u>(78,996)</u>	
Fund (deficit) ending (GAAP basis), Statement A		<u>\$ (78,996)</u>	

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TYPE
GENERAL FUND

For the Year Ended June 30, 1996

REVENUES	
State appropriations	\$ 882,200
EXPENDITURES	
Personal services	532,808
Travel	51,088
Operating services	48,476
Supplies	8,203
Professional services	90,250
Other fees and services	66,279
Capital outlay	<u>12,582</u>
Total expenditures	<u>804,736</u>
Excess of revenues over expenditures	77,464
OTHER FINANCING USES	
Transfer to the State Treasury, General Fund	<u>(78,000)</u>
(Deficiency) of revenues over expenditures and other financing uses	<u>(436)</u>
Fund balance, beginning as previously stated (Budgetary basis)	-
Adjustment for accounting principle change	<u>(19,516)</u>
Fund (deficit), beginning as restated	<u>(19,516)</u>
Fund (deficit), ending	<u>\$ (19,952)</u>

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

COMBINED BALANCE SHEET
FUND TYPE AND ACCOUNT GROUPS
June 30, 1998

	Governmental Fund Type General	Account Groups		Totals (Memoran- dum Only)
		General Fixed Assets	General Long-Term Obligation	
ASSETS OTHER DEBIT				
Cash in bank	\$ 73,473	\$ -	\$ -	\$ 73,473
Unrestricted appropriation	7,286	-	-	7,286
Furniture, fixtures and equipment	-	122,300	-	122,300
Other debit - Amounts to be provided for compensated absences	-	-	36,888	36,888
Total assets and other debit	\$ 80,759	\$ 122,300	\$ 36,888	\$ 239,947
LIABILITIES, FUND EQUITY, AND OTHER CREDIT				
LIABILITIES				
Accounts payable	\$ 2,729	\$ -	\$ -	\$ 2,729
Accrued salaries and related benefits	18,968	-	-	18,968
Due to state treasury	18,000	-	-	18,000
Compensated absences	-	-	36,888	36,888
Total liabilities	100,785	-	36,888	137,643
FUND EQUITY AND OTHER CREDIT				
Investment in general fixed assets	-	122,300	-	122,300
Fund deficit	(19,066)	-	-	(19,066)
Total fund equity and other credit	(19,066)	122,300	-	103,234
Total liabilities, fund equity, and other credit	\$ 80,719	\$ 122,300	\$ 36,888	\$ 239,907

In accordance with Government Auditing Standards, we have also issued a report dated November 1, 1998 on our consideration of the Louisiana State Law Institute, State of Louisiana's internal control structure and a report dated November 1, 1998 on its compliance with laws and regulations.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

November 1, 1998

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SUPPLEMENTARY INFORMATION



LOUISIANA STATE LAW INSTITUTE

PAUL M. HERBERT LAW CENTER, ROOM 509
UNIVERSITY STATION
BATON ROUGE, LA 70803-1004

December 23, 1996

OFFICE OF
THE DIRECTOR
505-241-1313
LAW 41-1000
FAX 504-387-6887

Provoost, Salter, Harper & Alford, L.L.C.
Certified Public Accountants
8880 United Plaza Boulevard
Suite 600
Baton Rouge, LA 70809

Gentlemen:

Our response to your audit finding of inadequate segregation of duties is as follows:

We have noted this condition and have determined that the cost necessary to establish adequate segregation of duties is not justifiable at the current time.

Sincerely,


William E. Crawford
Director

WEC:gg