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TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
MATCHITCHEE, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1996

under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewed, confirmed or corrected public records. This 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.

Revised Date: 8/9/ 7/6 1997

TELE JUDICIAL DISTRICT COURT EXPENSE FUND
MATCHICOCHA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1986

The financial statements of the Tenth Judicial District Court Expense Fund have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Government Accounting Standards Board is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Fund's financial report.

(1) Summary of Significant Accounting Policies

The Tenth Judicial District Court Expense Fund was created by an act of the legislature of Louisiana during their 1981 regular session. The Fund began operating in August, 1982. The judges of the Tenth Judicial District, who are elected officials, have control over the Fund and all disbursements made therefrom. The Tenth Judicial District encompasses the parish of Matchitoches, Louisiana.

The accounting and reporting policies of the Tenth Judicial District Court Expense Fund conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:837 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

GOVERNMENTAL UNITS

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units which should be considered part of a primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The OMB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - (a) The ability of the primary government to impose its will on that organization and/or
 - (b) The potential for the organization to provide specific financial benefits or to impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.

TELE JUDICIAL DISTRICT COURT EXPENSE FUND
BATONROUGE, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1998

10 Summary of significant Accounting Policies

Component Units (continued)

1. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The financial reporting entity consists of (a) the primary government (b) organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

For financial reporting purposes, the Tenth Judicial District Court Expense Fund operates autonomously and independently from the State of Louisiana. The judges of the Tenth Judicial Districts, who have control over the Fund, are elected officials. The Fund has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Fund. Therefore, the Tenth Judicial District Court Expense Fund reports as an independent reporting entity.

B. Fund accounting

The accounts of the fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund (the general fund) are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in this individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund is grouped, in the financial statements in this report, into one generic fund type as follows:

GOVERNMENTAL FUND

General Fund - The general fund is the general operating fund of the Tenth Judicial District Court Expense Fund. It is used to account for all financial resources of the Tenth Judicial District Court Expense Fund.

C. ACCOUNT GROUPS

General Fixed Assets Account Group - This is not a fund but rather an account group that is used to account for general fixed assets acquired for general purposes. The accounting and reporting treatment applied to the fixed assets associated with the fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow"

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
BATONROUGE, LOUISIANA
NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1976

D. Summary of Significant Accounting Policies

C. Account Groups (continued)

management basis. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and debt financing used) in net current assets. Accordingly, they are said to present a summary of increases and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. All of the Court's purchased general fixed assets are valued at historical cost. Any general fixed assets acquired through donation are valued at the estimated fair market value at the time of receipt.

E. Basis of Accounting

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

The governmental fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due.

Those revenues susceptible to accrual include court fees and interest income.

F. Cash and cash equivalents

Consistent with GAO's "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting", the District defines cash and cash equivalents as follows:

THIRD JUDICIAL DISTRICT COURT, BOSSIERE PARISH
BOSSIEROULE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1998

4. Summary of Significant Accounting Policies (continued)

6. Cash and cash equivalents (continued)

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

F. Budgets and budgetary accounting

The Fund is not required to adopt a budget.

G. Compensated absences

Full-time employees of the Fund earn ten days vacation leave and ten days sick leave each year after completion of at least one year of employment. Leave cannot be accumulated from one calendar year to the next; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Fund Balances

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

J. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Court's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TENTH JUDICIAL DISTRICT COURT EXPENSE FUND
BALANCE SHEET, CONTINUOUS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 1995

191 Cash in Bank

Under state law, the Tenth Judicial District Court Expense Fund may deposit funds within a financial agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the fund may invest in United States bonds, treasury notes, certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana, or any other federally insured investments.

As reflected on Exhibit A, the Fund had cash in bank totaling \$148,813 and \$181,804 respectively, at December 31, 1994 and 1995. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the financial agent bank. At December 31, 1995, there were \$188,813 in bank deposits of which \$18,427 were covered by FDIC insurance and \$10,386 were unsecured. See the accompanying management letter for a description of the finding.

192 Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Office Furniture & Equipment
Balance, December 31, 1994	4 8
Additions	____11,295
Balance, December 31, 1995	____11,303

193 Retirement Commitments

All employees of the Tenth Judicial District Court are members of the Periodical Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Tenth Judicial District Court are members of Plan A.

All permanent employees working at least 20 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 55 with at least 10 years of creditable service, at or after age 58 with at least 24 years of creditable service, or at any age with at least 33 years of creditable service are entitled to a retirement benefit, payable monthly for

TELEPHONE JUDICIAL DISTRICT COURT EMPLOYEE PENSION
RETRIBUTION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS ACCOMPANYING
DECEMBER 31, 1986

44) Retirement Commitments (continued)

life, equal to 2 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$14 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or 60-day months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may receive at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochoial Employees' Retirement System, Post Office Box 14418, Baton Rouge, Louisiana, 70804-0418, or by calling (504) 338-1181.

Contributions to the system include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except New Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. Plan members are required by state statute to contribute 3.00 percent of their annual covered salary and the Parish Judicial District Court Expense Fund is required to contribute at an actuarially determined rate. The current rate is 7.25 percent of annual covered payroll. The contribution requirements for plan members and the Parish Judicial District Court Expense Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:180, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Parish Judicial District Court Expense Fund's contributions to the System for the years ended December 31, 1985 and 1986 were \$1,469 and \$4,448, respectively, equal to the required contributions for each year.

16) Litigation

There was no pending litigation involving the Fund as of December 31, 1986.

16) Leases

The Fund had no capital leases in effect as of December 31, 1986.

HINES, JACKSON & HINES

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN ASSESS OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Tenth Judicial District Court Expense Fund
c/o The Honorable Monty Coggett, Judge
Methenolles, Louisiana 71457

We have audited the general purpose financial statements of the Tenth Judicial District Court Expense Fund, Methenolles, Louisiana, as of and for the year ended December 31, 1986, and have issued our report thereon dated March 4, 1987.

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.

Compliance with laws, regulations, contracts, and grants applicable to the Tenth Judicial District Court Expense Fund is the responsibility of the Fund's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Fund's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards. The finding is described in the accompanying Management Letter.

This report is intended for the information of the management of the Tenth Judicial District Court Expense Fund and the Legislative Auditor of the State of Louisiana. This restriction is NOT intended to limit the distribution of this report, which is a matter of public record.

HINES, JACKSON & HINES
Methenolles, Louisiana
March 4, 1987

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

Tenth Judicial District Court Expense Fund
c/o The Honorable Harry Deegert, Judge
Methenotown, Louisiana 71217

We have audited the general purpose financial statements of the Tenth Judicial District Court Expense Fund, Methenotown, Louisiana, as of and for the year ended December 31, 1994, and have issued our report thereon dated March 4, 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. Those 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 Tenth Judicial District Court Expense Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, attention and judgment 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 recorded 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 general purpose financial statements of the Tenth Judicial District Court Expense Fund for the year ended December 31, 1994, we obtained 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 had 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 company's audit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

TOWNSHIP LOCAL DISTRICT COURT BOARD FUND
BRUCEWOOD, LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BOARD PERIOD: DECEMBER 31, 1998 AND 1999

	<u>1998</u>	<u>1999</u>
Revenues		
Fees	\$ 76,300	\$ 77,000
Interest Income	2,870	2,781
Miscellaneous	<u> 8</u>	<u> 8</u>
Total Revenues	81,258	79,819
Expenditures		
General Investment		
Accounting	1,100	1,100
Employee's Retirement	2,889	2,888
Equipment Rental	1,384	0
Office	576	261
Salaries	39,850	39,800
Unemployment Tax	503	59
Payroll Taxes	83	78
Capital Outlay	<u>13,281</u>	<u> 8</u>
Total Expenditures	53,323	48,264
Excess/ (Deficiency) of Revenues Over Expenditures	27,935	31,555
Fund Balance, Beginning of year	128,518	160,283
Fund Balance, End of year	\$156,453	\$191,838

The accompanying notes are an integral part of this statement.

HINES, JACKSON & HINES

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Tenth Judicial District Court Expense Fund
c/o The Honorable Monty Duggan, Judge
Metchitoches, Louisiana 71489

We are writing this letter as a follow-up to our recent audit of the general purpose financial statements of the Tenth Judicial District Court Expense Fund, Metchitoches, Louisiana, as of and for the year ended December 31, 1986.

We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Tenth Judicial District Court Expense Fund and are intended to be constructive in nature.

Existing deficiencies

At December 31, 1986, the amount of bank deposits of the Tenth Judicial District Court Expense Fund exceeded the Federal deposit insurance corporation (FDIC) limit. This resulted in bank deposits not being insured against loss because the depositing banks did not pledge securities as a third party collateral to cover the excess deposits.

12CFR 20.1226 requires that the amount of security maintained on bank deposits shall at all times be equal to one hundred percent of the amount of bank deposits except that portion of the deposits insured by the FDIC.

Recommended action

We suggest the Tenth Judicial District Court Expense Fund management review on a quarterly basis the amount of securities being pledged at each institution that deposits are maintained to ensure that proper security is being maintained over the funds as required by 12CFR 20.1226.

Management's response

The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.

These comments and recommendations are not intended to be critical of anyone. We would like to thank the Judge and staff for their courtesy and cooperation during our engagement.

If you have any questions or concerns, please let us know.

HINES, JACKSON & HINES
Metchitoches, Louisiana
March 4, 1987

TENTH JUDICIAL DISTRICT COURT, SEVENOKA STATE
 HATCHINGTON, LOUISIANA
 ANNUAL FINANCIAL REPORT
 DECEMBER 31, 1976

TABLE OF CONTENTS

	PAGE	FROM
INDEPENDENT AUDITORS' REPORT		1
GENERAL PURPOSE FINANCIAL STATEMENTS		
Governmental Fund Type		
Balance Sheet	A	2
Statement of Revenues, Expenditures, and Changes in Fund Balance	B	2
NOTES TO THE FINANCIAL STATEMENTS	-	4
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	-	10
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	-	13
Management Letter	-	13

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MONTE CARLO, MISSISSIPPI

A. M. JACKSON JR. CPA
(Partner)

INDEPENDENT AUDITORS' REPORT

Tenth Judicial District Court Expense Fund
v. The Honorable Mervyn Duggert, Judge
Wachitochas, Louisiana FIRST

We have audited the general purpose financial statements of the Tenth Judicial District Court Expense Fund, Wachitochas, Louisiana, as of and for the year ended December 31, 1996. These financial statements are the responsibility of the management of the Tenth Judicial District Court Expense Fund. 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tenth Judicial District Court Expense Fund, Wachitochas, Louisiana as of December 31, 1996, 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 a report dated March 4, 1997, on our examination of the Tenth Judicial District Court Expense Fund's INTERNAL control structure and a report dated March 4, 1997, on its compliance with laws and regulations.

The financial information for the year ended December 31, 1995, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Tenth Judicial District Court Expense Fund, Wachitochas, Louisiana. In our report dated April 22, 1996.

HINES, JACKSON & HINES
Wachitochas, Louisiana
March 4, 1997

**THIRD JUDICIAL DISTRICT COURT EXPENSE FUND
WABBITOCHER, LOUISIANA
BALANCE SHEET
DECEMBER 31, 1994 AND 1995**

EXHIBIT B

ASSETS	General		General	
	Fund	Assets	1994	1995
Cash in Bank	\$145,000	0	0	\$145,000
Receivables				
Benchitoches Parish Clerk of Court	000	0	000	000
Benchitoches Parish Sheriff's Department	0,000	0	0,000	0,000
Interest	000	0	000	0
State Withholding Overpayment	000	0	000	0
Furniture & Equipment	0	13,000	13,000	0
Total Assets	\$145,000	\$ 13,000	\$158,000	\$145,000
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	0	0	0	0
Withheld Income Taxes Payable	0	0	0	000
State Unemployment Tax Payable	0	0	0	10
Retirement Payable	0	0	0	1,500
Total Liabilities	000	0	000	1,500
Fund Balance - Unreserved				
Investment in general fixed assets	0	13,000	13,000	0
Unassigned	145,000	0	145,000	143,500
Total Fund Equity	145,000	13,000	158,000	143,500
Total Liabilities and Fund Balance	\$145,000	\$ 13,000	\$158,000	\$143,500

The accompanying notes are an integral part of this statement.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of Management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report which is a matter of public record.

SMITH, JACKSON & HINES
Baton Rouge, Louisiana
March 8, 1997