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**ST. JAMES PARISH ASSESSOR***Annual Financial Report**As of and for the Year Ended  
December 31, 2003*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 7-21-04**KEITH J. ROVIRA**  
*Certified Public Accountant*

ST. JAMES BAPTIST ASSOCIATION  
Convent, Louisiana

General Purpose Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2003

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Glenn Nagenspack  
St. James Parish Assessor  
Corvett, Louisiana

I have audited the accompanying general purpose financial statements of the St. James Parish Assessor as of and for the year then ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the St. James Parish Assessor. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the St. James Parish Assessor as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated May 27, 2003, on my consideration of the St. James Parish Assessor's internal control over financial

reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



Keith J. Kovira  
Certified Public Accountant

May 27, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**ST. JAMES PARISH ASSOCIATION**  
 Corcoran, Louisiana  
 Governmental Fund Type - General Fund  
 Balance Sheet  
 December 31, 2003

Statement A

	<u>Governmental Fund - General Fund</u>	<u>Account Group - General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash and cash equivalents (Note C)	\$177,396	-	\$177,396
Revenues receivable:			
Ad valorem taxes	313,759	-	313,759
State revenue sharing	17,436	-	17,436
Payments in lieu of taxes	16,850	-	16,850
Office furnishings and equipment (Note D)	-	\$182,658	182,658
<b>TOTAL ASSETS</b>	<b><u>\$720,110</u></b>	<b><u>\$182,658</u></b>	<b><u>\$902,768</u></b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
Liabilities:			
Accounts payable	\$6,562	-	\$6,562
Total Liabilities	<u>6,562</u>	<u>-</u>	<u>6,562</u>
Equity and Other Credits:			
Investment in general fixed assets	-	\$182,658	182,658
Fund balance - unreserved- undesignated	713,706	-	713,706
Total Fund Equity	<u>713,706</u>	<u>182,658</u>	<u>896,364</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b><u>\$720,110</u></b>	<b><u>\$182,658</u></b>	<b><u>\$902,768</u></b>

The accompanying notes are an integral part of this statement.

**ST. JAMES PARISH ASSOCIATION**  
 Corvett, Louisiana  
 Governmental Fund Type - General Fund  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 For the Year Ended December 31, 2003

Statement 2

**REVENUES**

Ad valorem taxes	\$319,470
State revenue sharing	12,426
Payments in lieu of taxes	16,860
Interest earnings	9,379
Other	<u>3,839</u>
<b>Total Revenues</b>	<b>358,974</b>

**EXPENDITURES**

Personal services and related expenditures	369,733
General office and maintenance	60,976
Education seminars, conventions and dues	3,888
Travel and automotive	18,819
Capital outlay	<u>12,310</u>
<b>Total Expenditures</b>	<b>465,726</b>
(Deficiency) of Revenues over Expenditures	(110,319)
Fund Balance at Beginning of Year	<u>534,384</u>
Fund Balance at End of Year	<u>\$413,265</u>

The accompanying notes are an integral part of this statement.



**ST. JAMES PARISH ASSessor**  
 Covington, Louisiana  
 Governmental Fund Type - General Fund  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2003

Statement C

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Ad valorem taxes	\$318,000	\$318,470	\$470
State revenue sharing	12,300	12,420	120
Payments in lieu of taxes	17,000	16,000	(1,000)
Interest earnings	9,470	6,170	(3,300)
Other	10,000	1,220	(8,780)
Total Revenues	367,770	364,280	(3,490)
<b><u>EXPENDITURES</u></b>			
Personal services and related expenditures	349,000	349,720	720
General office and maintenance	60,325	60,970	(645)
Education seminars, conventions and dues	4,000	3,565	435
Travel and automotive	8,700	18,810	(10,110)
Capital outlay	12,000	12,110	(110)
Total Expenditures	436,025	445,175	(9,150)
Excess (Deficiency) of Revenues over Expenditures	(168,255)	(180,895)	(12,640)
Fund Balance at Beginning of Year	\$24,384	\$24,384	---
Fund Balance at End of Year	\$24,384	\$24,760	\$376

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**ST. JAMES PARISH ASSESSOR**  
 Covert, Louisiana  
 Notes to the Financial Statements  
 December 31, 2003

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article VII, Section 34 of the Louisiana Constitution of 1874, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

The assessor's office is located in the St. James Parish Courthouse in Covert, Louisiana. The assessor employs four employees. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing for the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector, who is responsible for collecting and distributing taxes to the various taxing bodies located in the parish.

**1. Basis of Presentation**

The accompanying general purpose financial statements of the St. James Parish Assessor 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.

**2. Reporting Entity**

For financial reporting purposes, the assessor includes in his office's financial statements all funds, account groups, activities, et cetera, that are controlled by the assessor as an independently elected parish official. As an independently elected parish official, the assessor is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the

**ST. JAMES PARISH ASSESSOR**  
 Convent, Louisiana  
 Notes to the Financial Statements  
 December 31, 2003

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

receipts and disbursement of funds. Other than certain operating expenditures of the assessor's office that are paid or provided by the parish council, as required by Louisiana law, the assessor is financially independent. Accordingly, the assessor is a separate governmental reporting entity. The activities of the parish council, parish school board, other independently elected parish officials, and the municipal level government are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from those of the assessor.

**3. Fund Accounting**

The accounts of the assessor are organized on the basis of a fund (General Fund) and an account group (General Fixed Assets Account Group), each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in the General Fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The General Fund, as provided by Louisiana Revised Statute (LSA-R.S.) 47:1386, is the principal fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue is accounted for in this fund. General operating expenditures are paid from this fund. The General Fund is classified as a governmental fund type.

**4. 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 assessor's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting. The General Fund uses the following practices in recording revenues and expenditures:

**ST. JAMES PARISH ASSESSOR**  
 Covington, Louisiana  
 Notes to the Financial Statements  
 December 31, 2003

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues:**

All valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Revenues from state revenue sharing and payments in lieu of taxes are recorded in the year the revenues are due the assessor.

Interest earnings on time deposits are recorded when the time deposits have matured and the revenue is available.

All other revenues are recorded when received.

**Expenditures:**

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

**5. Fixed Assets and Long-Term Obligations**

Fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the parish council are recorded within the general fixed assets account group. Fixed assets are valued at historical cost. No depreciation has been provided on fixed assets. The general fixed assets account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

There were no long-term obligations at December 31, 2003.

**6. Budgets**

The original proposed budget for the year ended December 31, 2003, was advertised and made available for public inspection at the assessor's office on November 20, 2002. The budget was adopted on December 9, 2002. The proposed budget was prepared on the modified accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**ST. JAMES PARISH ASSESSOR**  
 Corvett, Louisiana  
 Notes to the Financial Statements  
 December 31, 2003

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The 2003 original budget was amended and published in the official journal of the parish on November 5, 2003. It was subsequently adopted on November 20, 2003.

All appropriations contained in the budget lapse at year end.

**7. Cash and Cash Equivalents**

Cash and cash equivalents include interest bearing demand deposits and certificates of deposit. Under state law, the assessor may deposit and invest funds in demand deposits, certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana and investments as stipulated in RSA R.S. 33:2909.

**8. Receivables**

Receivables are made up of ad valorem taxes, state revenue sharing and payments in lieu of taxes. Ad valorem tax receivables recorded as of December 31, 2003 are based on the actual ad valorem taxes received in 2004, therefore, there was no need for estimating an uncollectible amount.

**9. Compensated Absences**

Employees of the assessor's office earn 12 days of vacation leave and 12 days of sick leave each year. Vacation and sick leave cannot be accumulated from year to year. Upon termination, resignation, or retirement employees are not paid for any unused vacation or sick leave earned during the year. As December 31, 2003, there were no accumulated or vested benefits related to vacation and sick leave that require disclosure in accordance with GASB Codification 603.

**10. Encumbrances**

The assessor does not use encumbrance accounting.

**11. 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.

**ST. JAMES PARISH ASSESSOR**  
 Coreport, Louisiana  
 Notes to the Financial Statements  
 December 31, 2003

**NOTE B - LEVIED TAXES**

Ad valorem taxes of 2.37 mills were authorized and levied for the operation of the assessor's office for the year ended December 31, 2003. This represents an increase of .03 mills from the prior year. The following are the principal taxpayers for the parish:

Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
Motive Enterprises LLC	Oil	\$49,303,503	19%
Chevron USA, Inc.	Oil	27,162,894	10%
DEC-Phosphate (Agrico)	Chemicals	13,987,825	5%
Total		<u>\$28,124,422</u>	<u>14%</u>

The total assessed valuation for all taxpayers at December 31, 2003, was \$249,237,838. This figure was used in calculating the percentage of the "2003 assessed valuation of each of the principal taxpayers" to the "total assessed valuation for all taxpayers."

**NOTE C - CASH AND CASH EQUIVALENTS**

At December 31, 2003, the carrying amounts (book balances) of all cash and cash equivalents of the assessor are listed as follows:

Interest bearing demand deposits	\$ 30,794
Certificates of deposit	246,432
Total	<u>\$277,226</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, 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. These

**ST. JAMES PARISH ASSESSOR**  
 Convent, Louisiana  
 Notes to the Financial Statements  
 December 31, 2003

**NOTE C - CASH AND CASH EQUIVALENTS (CONTINUED)**

securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the assessor had \$187,828 in deposits (collected bank balances). At December 31, 2003, these deposits were secured from risk by \$280,000 of federal deposit insurance and \$187,828 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAO Category 1).

Even though the pledged securities are considered uncollateralized (Category 1) under the provisions of GAO Statement 1, Louisiana Revised Statute 19:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE D - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets (office furnishings and equipment) follows:

Balance, December 31, 2002	\$188,100
Additions	26,255
Deductions	<u>(31,287)</u>
Balance, December 31, 2003	<u>\$183,068</u>

**NOTE E - PENSION PLAN**

Plan Description

Substantially all employees of the St. James Parish Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer Defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement



**ST. JAMES PARISH ASSESSOR**  
 Convent, Louisiana  
**Notes to the Financial Statements**  
 December 31, 2003

**NOTE K - PENSION PLAN (CONTINUED)**

benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 60 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 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 for the System. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71168-1786, or by calling (318)425-4446.

**Funding Policy**

For all of 2003, plan members (employees) were required by state law to contribute 3.0 percent of their annual covered salary into the retirement system, and the assessor (Employer) was required to contribute 14.8 percent of an employee's annual covered payroll into the System. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenues sharing appropriated by the legislature. The contribution requirements of plan members and the assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, 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 assessor's employer contributions to the System for the years ended December 31, 2003, 2002 and 2001, were \$26,880, \$28,196 and \$17,348, respectively, and these amounts equaled the required contributions for those years.

ST. JAMES PARISH ASSESSOR  
Covington, Louisiana  
Notes to the Financial Statements  
December 31, 2003

**NOTE F - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The St. James Parish Assessor provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the assessor's employees become eligible for these benefits if they reach normal retirement age while working for the assessor. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the assessor. The assessor recognizes the cost of providing these benefits (assessor's portion of premiums) as an expenditure when paid during the year. For 2003, the cost of benefits paid for retirees totaled \$7,787.

**NOTE G - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS**

Certain operating expenditures of the assessor's office are paid by the St. James Parish Council as required by Louisiana Revised Statute 33:4713. The assessor's office is located in the St. James Parish Courthouse and the upkeep and maintenance of the courthouse is paid by the St. James Parish Council. These expenditures are not reflected in the accompanying financial statements.

**NOTE H - LITIGATION**

There was no litigation pending against the assessor's office at December 31, 2003.

**SUPPLEMENTAL INFORMATION SCHEDULE**

**ST. JAMES PARISH ASSESSOR**  
Current, Louisiana  
Supplemental Information Schedule  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2003

I have audited the accompanying general purpose financial statements of the St. James Parish Assessor as of and for the year ended December 31, 2003, and have issued my report thereon dated May 27, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Report and Findings**

There was one material weakness in internal control that was a reportable condition which required disclosure in this audit report (Finding No. 1).

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

There was one prior-year audit finding, and it was the same as the current-year finding (Finding No. 1).

The St. James Parish Assessor did not receive any federal funds during the twelve months ended on December 31, 2003.

ST. JAMES PARISH ASSessor  
Convent, Louisiana  
Supplementary Information (Continued)  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2003

Section II - Financial Statement Finding

Finding No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:  
Honorable Glenn Weppespeck  
St. James Parish Assessor  
Convent, Louisiana

Anticipated Completion Date: Not applicable.

OTHER REPORT REQUIRED  
GOVERNMENT AUDITING STANDARDS

KEITH J. ROYRA  
CERTIFIED PUBLIC ACCOUNTANT  
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004 001-0040

001 0040 001-004047

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Honorable Glenn Magnuspack  
St. James Parish Assessor  
Convent, Louisiana

I have audited the general purpose financial statements of the St. James Parish Assessor as of and for the year ended December 31, 2003, and have issued my report thereon dated May 27, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the St. James Parish Assessor's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. James Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements

and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described in the accompanying Schedule of Audit Findings in the Supplementary Information section of this audit report and is referenced as Finding No. 1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Kovira  
Certified Public Accountant

May 27, 2004