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back in fileTERREBONNE PARISH CLERK OF COURT  
L. ROBERT BOURBONNAIN—CLERK OF COURTGENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED (LINE 3), 1997  
TOGETHER WITH AUDITORY REPORT

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: OCT 31 199897003-6  
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# ARTHUR ANDERSEN LLP

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Trustees Parish  
Clerk of Court

We have audited the accompanying general-purpose financial statements of the Trustees Parish Clerk of Court (the "Clerk") as of and for the year ended June 30, 1997. These general-purpose financial statements are the responsibility of the Clerk's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in 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 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. 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 Trustees Parish Clerk of Court as of June 30, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information included in Exhibits I and II is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. This information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report on our consideration of the Clerk's compliance and internal control over financial reporting based on our audit of the financial statements, dated August 28, 1997.

*Arthur Andersen LLP*

New Orleans, Louisiana,  
August 28, 1997

STATE OF CALIFORNIA

COMPTROLLER GENERAL

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 08/11/01

	Comptroller Account 2000 BAL.	Deputy Controller 2000 BAL.	Supervisor of Taxation 2000 BAL.	Supervisor of General Services 2000 BAL.	Total 2000 BAL.
UNCLASSIFIED	4,023,366	1,000,000	54,700,000	0	64,723,366
PROFESSIONAL	5,132	18,000	-	-	16,132
OTHER PERSONNEL	94,207	-	-	-	94,207
PERSONNEL SERVICES	20,000	-	-	-	20,000
PROVISIONS	90,000	3,000,000	-	-	3,090,000
OTHER SUPPLIES	1,000,000	-	-	-	1,000,000
GRAND TOTAL	5,140,705	4,018,000	54,754,700	0	63,913,405
ACCOUNTS PAYABLE	1,400	0	0	0	1,400
DEBT PROVISIONS	-	10,000	0	-	10,000
UNAPPORTIONED	-	2,000,000	1,800,000	-	3,800,000
TOTAL	1,400	2,010,000	1,800,000	-	3,210,400
GRAND TOTAL	6,541,705	6,028,000	56,554,700	0	69,124,405
Amounts of General Fund Items	-	-	-	-	-
Transfer of Funds Out of State	-	-	-	-	-
Transfer of Funds to Other Commissions	-	-	-	-	-
Final Balance	2,141	-	-	-	2,141
Inter-divisional transfers	1,858	-	-	-	1,858
Transfer of money	783	-	-	-	783
Unallocated money	1,000	-	-	-	1,000
Inter-divisional transfers	-	-	-	-	-

**TREASURY SYSTEMS CLERK OF COURT**  
**GOVERNMENTAL FUND TYPE - SALARY FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**ACTUAL AMOUNTS**

**FOR THE YEAR ENDED JUNE 30, 2007**

	2007		Variance Favorable/ Unfavorable (Unfavorable)
	Actual	Budget	
<b>REVENUES</b>			
Clerks fees transferred from Advance Deposit Agency Fund	\$1,187,872	\$1,158,000	\$ 29,872
Recording fees	545,244	545,000	244
Certified copies	228,828	249,000	(20,172)
Mortgage certificates	81,123	80,000	1,123
Mortgage cancellations	48,157	48,000	157
Marriage licenses	32,608	32,000	608
Court attendance	26,848	26,000	848
Criminal case fees	137,189	99,000	38,189
Interest	32,324	32,000	324
Other	41,524	42,200	(676)
<b>Total revenues</b>	<b>2,485,797</b>	<b>2,465,200</b>	<b>20,597</b>
<b>EXPENDITURES</b>			
Salaries, wages and related benefits	1,741,685	1,752,448	(10,763)
Office fixtures and equipment	26,888	88,548	(61,660)
Office expense	133,448	139,000	(5,552)
Telephone and telecommunications	15,226	16,000	(774)
Debt service	5,889	3,478	2,411
Other	137,328	125,100	12,228
<b>Total expenditures</b>	<b>2,069,724</b>	<b>2,114,568</b>	<b>44,844</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>416,073</b>	<b>350,632</b>	<b>65,441</b>
<b>OTHER FINANCING SOURCES</b>			
Transfer of interest from Advance Deposit Agency Fund	(208,342)	(126,288)	(82,054)
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES</b>	<b>207,731</b>	224,344	(16,613)
<b>FUND BALANCE, beginning of year</b>	<b>565,326</b>	<b>565,126</b>	<b>200</b>
<b>FUND BALANCE, end of year</b>	<b>773,057</b>	<b>789,470</b>	<b>(16,413)</b>

The accompanying notes are an integral part of this financial statement.

## TERREBORNE PARISH CLERK OF COURT

### FINANCIAL STATEMENTS

JUNE 30, 2000

#### INTRODUCTION

As specified by Article V, Section 28 of the Louisiana Constitution of 1878, the Clerk of Court serves as ex-officio notary public, the recorder of conveyances, mortgages and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

##### Books of Consolidation

The accompanying general purpose financial statements of the Terrebonne Parish Clerk of Court (the "Clerk") 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.

##### Reporting Entity

As the governing authority of the parish, for reporting purposes, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The financial reporting entity consists of (a) the primary government (consolidated government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Terrebonne Parish Consolidated Government for financial reporting purposes. The basic criterion is including a potential component unit within the reporting entity if financial accountability. The GASB 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 consolidated government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the consolidated government.
2. Organizations for which the consolidated government does not appoint a voting majority but are fiscally dependent on the consolidated government.
3. 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.

Because the Clerk of Court is totally dependent on the consolidated government, the Clerk of Court was determined to be a component unit of the Terrebonne Parish Consolidated Government, the financial reporting entity. The accompanying financial statements present information only on the basis maintained by the Clerk of Court and do not present information on the consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### **Fund Accounting**

The Clerk of Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Clerk of Court are classified into two categories: governmental (fishery fund) and fiduciary (Agency funds). These funds are as follows:

#### **Salary Fund**

The Salary Fund, as provided by Louisiana Revised Statute 13:291, is the principal fund of the Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expense items are paid from this fund.

#### **Agency Funds**

The Advance Deposit and Registry of Court agency funds account for assets held on behalf of other Agency Funds. Agency Funds are established to ensure assets equal liabilities and do not involve measurement of results of operations. The Advance Deposit Fund is used to account for advance deposits as required by litigants. The advances are refundable to the litigants after all costs have been paid. The Registry of Court Fund is used to account for funds which have been ordered by the Court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the Court.

#### **General Fixed Assets Account Group**

The General Fixed Assets Account Group represents a summary of the fixed assets of the Clerk of Court. Capital expenditures are recorded as expenditures of the Salary Fund at the time of purchase and are recorded, at cost, for costed purposes in the General Fixed Assets Account Group. Assets provided by the parish consolidated government are also recorded within the General Fixed Assets Account Group at historical cost.

This 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. In accordance with generally accepted accounting principles as applied in the public sector, depreciation is not recorded on general fixed assets.

### **Bank of Accounting**

The accompanying financial statements have been prepared on a modified accrual basis of accounting. The agency funds presented in the accompanying combined balance sheet have been prepared on the cash basis. Therefore, no receivables or payables are reflected with the exception of interest receivables which are accrued due to the Advance Deposit Fund. The Salary Fund is accounted for on the accrual basis in accordance with generally accepted accounting principles.

### **Transfers**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where the physical transfer of assets has not taken place as of year end, or where repayment is expected, the advances are accounted for through the various due from and due to accounts. The Clerk transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. The amount transferred during fiscal 1997 was \$4,000,000.

### **Deposit Expenditures**

Payments made to vendors for services that will benefit periods beyond June 30, 1997 are recorded as prepaid expenditures. These amounts are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of total current assets.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments (i.e. leases) for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed by the Salary Fund. Encumbrances outstanding at year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored in subsequent years. As of June 30, 1997, no portion of fund balance was reserved for encumbrances.

### **Budget Deficits**

Prior to the beginning of each fiscal year, the Clerk prepares and approves a formal budget based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting. This proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is modified and adopted by J. Harvey Boudreaux, the elected Clerk of Court of Terrebonne Parish. A certified copy of the budget is furnished to the Chief Executive or Administrative Officer of the Terrebonne Parish Consolidated Government.

### **Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposit, interest-bearing demand deposit, and money market accounts, as well as time deposits maturing within 90 days. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. All interest income is recorded when earned.

### **Investments**

Investments consist of time deposits with maturities between three and nine months.

## Compositional Activities

The employees of the Clerk of Court are allowed a fixed number of days per vacation and sick leave per fiscal year. This leave policy does not provide for the accumulation or winding of leave. Accordingly, no accrual for employee leave benefits has been recorded by the Clerk of Court.

## Total Column on Combined Balance Sheet

The total column on the Combined Balance Sheet is captioned "Miscellaneous Only" to indicate that the amounts are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

## Fund Details

**Reserves** - Reserves represent those portions of fund equity and are applicable for expenditures or legally segregated for a specific future use.

**Designated Fund Balances** - Designated fund balances represent tentative plans for future use of financial resources.

## Clerk's Fees, Transferred from Advance Deposit Agency Fund

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and filing for litigants. These fees are collected by a trustee of litigant's money deposited in the Advance Deposit Fund to the Salary Fund.

## View of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 1997, the Clerk of Court had cash, cash equivalents, and investments (their deposits maturing after 90 days) with book balances totaling \$4,682,765, as follows:

Non-interest bearing demand deposits	\$ 419,430
Interest-bearing demand deposits	3,418,411
Money market accounts	433,544
Time deposits maturing in less than 90 days	3,195,000
Time deposits maturing after 90 days and in less than one year	1,438,880
Total	\$ 4,682,765

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (on 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 bank. These securities are held in the name of the Clerk of Court in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the Clerk had \$3,364,796 in deposits (pledged bank balances). These deposits are secured from risk by \$3,362,800 of federal deposit insurance and \$6,811,860 of pledged securities owned by the custodial bank held in the name of the Clerk of Court.

GAAP categorizations of investments give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or collateralized with securities held by the Clerk of Court or by its agent in the Clerk of Court's name. Category 2 includes investments collateralized with securities held by the pledging fiscal agent bank's trust department or agent in the Clerk of Court's name. Category 3 includes any bank held not that is collateralized with securities held by the pledging fiscal agent bank, or held by its trust department or agent but not in the Clerk of Court's name. At June 30, 1997, total deposits (pledged bank balances), in the amount of \$5,340,798 were considered Category 1 investments.

Statutes authorize the Clerk of Court to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U. S. Government, including such instruments as treasury bills, treasury notes, and treasury bonds.
3. Obligations of U. S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealer that report and are regulated by the Federal Reserve Bank of New York.

All of the Clerk of Court's investments are considered type 1 investments.

### 3. RECEIVABLES

The receivables of \$60,499 at June 30, 1997 are as follows:

Class of Receivable	Salary Fund	Agency Funds	Total
Accounts	\$ 29,758	\$ -	\$ 29,758
Interest	4,215	26,527	30,742
Fees in various cases	8,349	-	8,349
Total	\$ 42,322	\$ 26,527	\$ 68,849

### 4. CHANGES IN GENERAL INTANGIBLES

A summary of changes in general fixed assets follows:

	Balance June 30, 1996	Addition	Excesses	Balance June 30, 1997
Office equipment	\$401,244	\$ 9,500	\$ 8,200	\$ 402,544
Furniture and fixtures	317,294	14,715	-	332,009
Automobiles	9,889	17,000	6,589	33,478
Leased equipment	330,399	3,499	-	333,898
Total	\$1,058,826	\$ 44,714	\$ 14,789	\$ 1,088,751

## 5. PENSION PLAN

Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (the System), a cost-sharing, multiple-employer defined benefit plan, administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 75 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 jobed months that produce the highest average salary. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 50 and receive the benefit as well to their date of termination. The System also provides death and disability benefits. Benefits are established and awarded 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 Clerks of Court Retirement and Relief Fund, 11740 Buckstone Avenue, Suite B, Baton Rouge, Louisiana 70806, or by calling (844) 795-1142.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk is required to contribute an actuarially determined rate. The current rate is 11.80 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (one-half of one percent) of Orleans Parish of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As permitted by Louisiana Revised Statute 12:122, the employer's contributions are determined by actuarial valuations and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's contributions to the system for the years ending June 30, 1997, 1996, and 1995 were \$843,477, \$142,790 and \$204,490, respectively, equal to the required contributions for each year.

## 6. INSURING EMPLOYEE HEALTH CARE BENEFITS

It is the Clerk of Court's policy to provide certain continuing health care benefits for its retired employees. Substantially all of the Clerk of Court's employees become eligible for these benefits if they reach normal retirement age or obtain disability retirement while working for the Clerk of Court. There are 11 participants currently eligible to receive health care benefits. These benefits for retirees and spouses (benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the Clerk of Court. The Clerk of Court's costs of providing retiree health care benefits are recognized as expenditures when the monthly premiums are paid. For 1997, the costs of retiree benefits totaled \$14,854, of which \$7,427 was paid by retirees.

## 7. CHANGES IN UNSETTLED CLAIMS

A summary of changes in agency bond unsettled claims follows:

	Balance June 30, 1996	Additions	Reductions	Balance June 30, 1997
Agency Bonds				
Advance Deposit Fund	\$ 2,757,172	\$ 2,486,539	\$ 2,404,483	\$ 2,779,198
Registry of Circuit Panel	3,185,117	1,826,894	767,838	4,144,211
Total	\$ 5,942,289	\$ 4,313,421	\$ 3,172,321	\$ 7,083,389

**B. EXCESSIVE SALARY.**

Louisiana Revised Statute 12:385 requires that every last year (at the close of the term of office) the Clerk of Court must pay the parish treasurer the portion of the Salary Fund's fund balance that exceeds one-half of the revenues of the Clerk of Court's last year of his term of office. At Para 30, 1997, there was no amount due the parish treasury as this was not the last year of the Clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

TERREBONNE PARISH CLERK OF COURT

SCHEDULE OF CHANGES IN UNSETTLED CLAIMS

FOR THE YEAR ENDING JUNE 30, 1997

	<u>1997</u>	
	<u>Advance Deposit Fund</u>	<u>Register of Court Fund</u>
UNSETTLED CLAIMS AT BEGINNING OF YEAR	\$1,757,072	\$1,165,115
ADDITIONS:		
Deposits	2,096,607	671,541
Interest on investments	189,542	65,577
Total additions	<u>2,286,149</u>	<u>737,118</u>
DEDUCTIONS:		
Settlements to filigree	-	765,297
Clerk's fee transferred to Salary Fund	1,187,808	-
Meadell's fees	334,234	-
Refunds to filigree and attorneys	863,488	-
Witnesses, appraisers and jury commission fees	86,800	-
Transfer to Salary Fund	886,542	667
Judge compensation fund	47,563	-
Secretary of state	26,400	-
Law clerk fees	62,665	-
Attorney, courier and rental fees	16,455	-
Court reporter	22,216	-
Fees to other clerks	5,713	-
Law library commissions	4,000	-
Other	4,889	1,677
Total deductions	<u>2,474,453</u>	<u>767,674</u>
UNSETTLED CLAIMS AT END OF YEAR	\$1,568,768	\$402,559

## JEROME COUNTY PARISH CLERK OF COURT

## SALARY FUND

## DETAIL OF OTHER REVENUES AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 1992

	____	200
<b>OTHER REVENUES</b>		
Family Violence Fund	\$ 12,400	
Ely fees Refunds	10,000	
Transfer from Registry of Court Fund	99	
Clerk's supplemental compensation fund	11,177	
Notarial fees	1,000	
Miscellaneous	____	3,676
Total other revenues		\$ 34,676
<b>OTHER EXPENDITURES</b>		
Clerk's supplemental compensation fund	\$ 21,000	
SEC filing fees	26,119	
Family Violence Fund	11,000	
Auditing and accounting	14,000	
Storage rental	4,000	
Travel expenses	3,700	
Advertising	99	
Dues	1,000	
Auto-expense	400	
Payroll tax expense	6,000	
Electricity expense	3,400	
Liability insurance	27,500	
Personal books, binding and lamination	21,000	
Miscellaneous	____	4,700
Total other expenditures		\$137,529

# ARTHUR ANDERSEN LLP

## INDEPENDENT AUDITORS' REPORT

### ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

#### REGARDING THE AUDIT OF FINANCIAL STATEMENTS

To the Terrebonne Parish  
Clerk of Court:

We have audited the general-purpose financial statements of the Terrebonne Parish Clerk of Court (the Clerk), as of and for the year ended June 30, 1992, and have issued our report thereon dated August 29, 1992. We conducted our 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 part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions is not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered the Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. The consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not enable a relatively low level of risk that misstatements 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 or the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Arthur Andersen LLP*

New Orleans, Louisiana,  
August 29, 1992