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**FORTIETH JUDICIAL DISTRICT
JUDICIAL EXPENSE FUND**
Edgard, Louisiana
General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 2002

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

Released Date 7/2/03

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INDEPENDENT AUDITORS' REPORT

To the Judges
Fortieth Judicial District Court
Edgard, Louisiana 70849

We have audited the accompanying general purpose financial statements of the Fortieth Judicial District Judicial Expense Fund as of and for the year ended December 31, 2002, as listed in the foregoing table of contents. These financial statements are the responsibility of the judges of the Fortieth Judicial District Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 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 made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Fortieth Judicial District Expense Fund, at December 31, 2002, and the results of 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 June 12, 2003 on our consideration of the Fortieth Judicial District Court's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

J.F. Lorio, Jr. CPA (APC)
June 12, 2003

**FOURTEENTH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002**

ASSETS

	<u>Governmental</u>	<u>Assisted</u>	Total (Nonmonetary Only)
	<u>Fund Type</u>	<u>Group</u>	
	<u>General Fund</u>	<u>General Fund Assets</u>	
Assets:			
Cash (Note 2)	\$ 110,321	\$ 0-	\$ 110,321
Investment (Note 2)	8,679	0-	8,679
Revenues (Receivables-Criminal and Civil Fees)	8,470	0-	8,470
Property and Equipment (Note 3)	0-	124,326	124,326
TOTAL ASSETS	\$ 127,470	\$ 124,326	\$ 251,796

LIABILITIES, EQUITY AND OTHER CREDITS

Liabilities:

Accounts payable	\$ 2,700	\$ 0-	\$ 2,700
Payroll taxes payable	0-	0-	0-
TOTAL LIABILITIES	\$ 2,700	\$ 0-	\$ 2,700

Equity and Other Credits:

Investment in Fixed Assets	0-	124,326	124,326
Fund balance - unreserved, undesignated	218,296	0-	218,296
TOTAL FUND EQUITY	\$ 218,296	\$ 124,326	\$ 342,622
TOTAL LIABILITIES AND FUND EQUITY	\$ 221,002	\$ 124,326	\$ 345,328

ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

**FOURTEEN JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
 ST. JOHN THE BAPTIST PARISH
 GOVERNMENTAL FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE -- GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000**

REVENUES:

Criminal	\$	61,386
Civil		15,380
Supreme Court Reimbursements		21,836
ITNS Grant		12,530
Juvenile Probation Fee		230
Interest		1,876
Grant - LCLE		<u>18,121</u>
TOTAL REVENUES	\$	<u>143,459</u>

EXPENDITURES:

Advertising & Public Relations	1,874
Conferences, Fees and Courses	11,589
Equipment Lease	4,039
Jury & Court Lunches	1,031
Insurance	1,480
Miscellaneous & Bank Charges	1,764
Library	15,613
Office Supplies & Expense	20,081
Rent	7,034
Professional Fees	69,781
Repairs & Maintenance	1,914
Salary Reimbursements	40,277
Administrative Services	15,839
Supplemental Pay	9,784
Testing & Laboratory	8,286
Payroll Tax Expense	1,288
Telephone	8,683
Treatment Services	89,811
Taxes	11,164
Capital Outlay:	
Furniture & Equipment	<u>28,422</u>
TOTAL EXPENDITURES	<u>516,611</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(373,152)
FUND BALANCE, JANUARY 1	<u>289,023</u>
FUND BALANCE, DECEMBER 31	<u>\$ <u>25,228</u></u>

ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

**FORTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Fortieth Judicial District Judicial Expense Fund 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. The more significant of the government's accounting policies are described below.

B. Fund Accounting

The 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. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable available financial resources.

Funds of the court are classified as governmental funds. Governmental funds account for the court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Judicial Expense Fund includes Special Revenue Funds which accounts for other functions and activities of the court.

C. Basis of Accounting

Governmental funds use the current financial resources measurement focus. Only current assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

**FORTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002**

The records of the Fortieth Judicial District Judicial Expense Fund are maintained on a cash basis of accounting. However, the General Fund, reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures.

Revenues:

Court costs are recorded in the month in which fees are collected. There are two types of cases in which fees are collected, civil and criminal cases. Civil case fees are collected by the St. John the Baptist Parish Clerk of Court and criminal case fees by the St. John the Baptist Parish Sheriff's office. Revenues receivables reflect amounts collected in December but not remitted until January of the following year. Interest income is recorded when earned.

All other revenues are recorded when received.

Expenditures:

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

D. Budgets

The Fortieth Judicial District is not required to prepare a budget.

E. Encumbrances

The Fortieth Judicial District Judicial Expense Fund was created by the State of Louisiana, Act No. 52, House Bill No. 79 of the 1984 regular Legislative session. It authorized collection from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs a sum not to exceed fifteen dollars. In all criminal cases, there shall be collected an amount not to exceed seven dollars and fifty cents from every defendant who is convicted after a trial or other plea of guilty or who forfeits his bond. These costs are to be in addition to all other fees, costs or forfeitures imposed by law. Act 834, Section 511.1) of the 1990 Regular Legislative Session, authorizes all judgments of bond forfeitures resulting from the posting of surety bond in criminal proceeding in the State of Louisiana shall be collected by the district attorney. The district attorney shall distribute ten percent of all funds collected to the court fund of the parish where the bond was posted. The Fortieth Judicial Court has three divisions.

**FOURTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002**

In general, the funds may be used for any purpose or purposes connected with incidental or related to proper administration or function of the Fourtieth Judicial District Court or the offices of the individual judges. For further information one should refer to Act 51, House Bill No. 39, Section 996-99 of the 1988 Regular Louisiana Legislative Session, Act 382, House Bill No. 2037, of Section 896-90 of the 1990 Regular Louisiana Legislative Session.

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the board 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.

Under state law, the board may invest in United States bonds, treasury notes or certificates. They are classified as investments if their original maturities are 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on fixed assets. Fixed assets are valued at historical cost.

H. Total Columns on Statements

The total columns on the statements are captioned *Monocolumn Only* to indicate that they are presented only to facilitate financial analysis. The data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2 - Cash, Cash Equivalents and Investments

At December 31, 2002, the board had cash and cash equivalents (book balances) totaling \$133,321 as follows:

Petty Cash	\$ 100
Demand deposits	13,107
Interest-bearing demand deposits	<u>120,114</u>
Total Cash and Equivalents	<u>\$ 133,321</u>
Investments	
Certificates of Deposits	<u>\$ 87,879</u>

**FOURTEEN JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002**

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 pledged 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 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, 2002 the district has \$148,005 in deposits (collected bank balances) in six separate accounts, none of which exceeded \$100,000. These deposits are secured from risk by \$100,000 of federal deposit insurance.

Note 3 - Changes in Fixed Assets

Division A

The following is a summary of the changes in the general fixed assets account group for the year ended December 31, 2002.

	<u>Balance</u> <u>8/31/02</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/02</u>
Furniture and Equipment	<u>\$ 28,109</u>	<u>\$ 7,125</u>	<u>\$ —</u>	<u>\$ 35,234</u>
Adult Drug Court	<u>\$ 4,026</u>	<u>\$ 1,779</u>	<u>\$ —</u>	<u>\$ 5,805</u>

Division B

The following is a summary of the changes in the general fixed assets account group for the year ended December 31, 2002.

	<u>Balance</u> <u>8/31/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/02</u>
Furniture and Equipment	<u>\$ 32,498</u>	<u>\$ 10,912</u>	<u>\$ —</u>	<u>\$ 43,410</u>

**FORTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Division C

The following is a summary of the changes in the general fixed assets account group for the year ended December 31, 2002.

	Balance 01/01/02	Additions	Deductions	Balance 12/31/02
Furniture and Equipment	\$ 13,912	\$ 2,107	\$ -0-	\$ 16,019

Note 4 - Revenue

Thirty-three and one third percent of total revenue are allocated to each division of the Fortieth Judicial District Court. Each judge is responsible for administering the funds for his or her division.

Note 5 - Act No. 82 of the 1984 regular Louisiana Legislative Session

Prior to this Act, the Twenty-Ninth Judicial District included the two parishes of St. Charles and St. John the Baptist. Section 3 of this act split the Twenty-Ninth Judicial District and created the Fortieth Judicial District. Presently the Twenty-Ninth Judicial District includes St. Charles Parish and the Fortieth Judicial District includes St. John the Baptist Parish.

Note 6 - Litigation and Claims

There are no claims or litigation pending against the court at December 31, 2002.

Note 7 - Leases

Division A leases a copier under a three year operating lease. The lease is based on usage and expires June 2003. The monthly rental is \$80.15.

Division B leases a copier under a five year operating lease. The lease is based on usage and expires July 2007. The monthly rental is \$133.25.

Division C leases a copier under a five year operating lease. The lease is based on usage and expires June 2005. The monthly rental is \$114.23.

**FOURTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
EDGARD, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
ALL FUND TYPES AND ACCOUNT GROUPS**

As of and for the Year Ended December 31, 2002

Division A

Division A accounts for its general fund and receives its major revenues from criminal and civil court fees.

Division B

Division B accounts for its general fund and receives its major revenues from criminal and civil court fees.

Division C

Division C accounts for its general fund and receives its major revenues from criminal and civil court fees.

FMS Program

The FMS Program accounts for the operation of the Families in Need of Services program. Funding is provided primarily by a state grant and is administered by Division B.

Juvenile Probation Fee Fund

The Juvenile Probation Fee Fund accounts for the operations of a juvenile probation and parole program. The fund receives its major revenue from juvenile court fees and is administered by Division B.

Adult Drug Program

The Adult Drug Court Program accounts for its own operations. The fund receives its revenue from a grant from the Louisiana Law Enforcement Commission and is administered by Division A.

FORTIFIX SPECIAL DISTRICT SPECIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH COUNCIL
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT CATEGORIES
FOR THE YEAR ENDED DECEMBER 31, 2002

ASSETS	GENERAL FUND	ACCOUNT GROUP FUND ASSETS	FAMILY NAMED-OF-SERVICES PROGRAM	STABLE PROGRAMS FEE	ADULTS ONLY COURT PROGRAM	TOTAL OBLIGATIONS
Cash	\$ 114,141	\$ -	\$ -	\$ 1,000	\$ 12,000	\$ 137,141
Investment	87,079	-	-	-	-	87,079
Prepaid Receivable-Criminal & Civil Fee	1,471	-	-	-	-	1,471
Property and Equipment	-	111,001	-	-	1,000	122,001
TOTAL ASSETS	\$ 202,691	\$ 111,001	\$ -	\$ 1,000	\$ 13,000	\$ 337,692
LIABILITIES & FUND EQUITY						
LIABILITIES						
Accounts Payable	\$ 2,100	\$ -	\$ -	\$ -	\$ 200	\$ 2,300
Payroll taxes payable	-	-	-	-	3,000	3,000
TOTAL LIABILITIES	\$ 2,100	\$ -	\$ -	\$ -	\$ 3,200	\$ 5,300
FUND EQUITY						
Investment in General Fund Assets	\$ -	104,000	-	-	5,000	109,000
Fund Balance - Unreserved	197,212	-	3,000	1,000	8,000	209,212
TOTAL EQUITY	\$ 197,212	\$ 104,000	\$ 3,000	\$ 1,000	\$ 13,000	\$ 332,212
TOTAL LIABILITIES AND EQUITY	\$ 202,691	\$ 111,001	\$ 3,000	\$ 1,000	\$ 13,400	\$ 337,692

**PERMITS SOCIAL INFRASTRUCTURE SPECIAL PURPOSE FUND
 ST. JOHN THE BAPTIST PARISH COUNCIL
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2002**

REVENUES	GENERAL FUND	FAMILY IN NEED OF SERVICES PROGRAM	JUVENILE PROBATION FEE	SALES COURT PROGRAM	TOTAL (MEMORANDUM DOLL)
Grants	\$ 41,146	\$ -	\$ -	\$ -	\$ 41,146
Civil	21,085	\$ -	\$ -	\$ -	21,085
Supervisor Court Reimbursements	26,740	\$ -	\$ -	406	27,146
PERM Grants	\$ -	21,420	\$ -	\$ -	21,420
Incentive Production Fee	\$ -	\$ -	150	\$ -	150
Interest	1,619	17	\$ -	\$ -	1,636
Other-C.I.F.	\$ -	\$ -	\$ -	18,622	18,622
TOTAL REVENUES	111,590	21,437	150	18,622	151,800
EXPENDITURES					
Advertising & Public Relations	\$ 679	\$ -	\$ -	1,008	1,687
Contractors & Fees	4,116	1,613	\$ -	6,526	12,255
Equipment Leases	4,259	\$ -	\$ -	\$ -	4,259
Fuel & Court Services	1,000	\$ -	\$ -	403	1,403
Insurance	\$ -	\$ -	\$ -	1,488	1,488
Salaries & Social Charges	14,675	32	88	1,744	16,539
Liens	14,207	\$ -	\$ -	676	14,883
Office Supplies & Expenses	11,429	3,620	\$ -	8,203	23,252
Rent	\$ -	180	78	8,111	8,369
Restructured Fees	18,221	\$ -	228	\$ -	18,449
Expenses & Maintenance	1,268	20,046	\$ -	\$ -	21,314
Salary Reimbursements	11,220	\$ -	\$ -	\$ -	11,220
Administrative Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Pay	7,136	2,462	\$ -	\$ -	9,598
Training & Laboratory	\$ -	\$ -	\$ -	\$ -	\$ -
Special Taxes	\$ -	\$ -	\$ -	1,344	1,344
Telephone	3,859	\$ -	\$ -	\$ -	3,859
Transport Services	\$ -	200	\$ -	\$ -	200
Taxes	6,428	\$ -	\$ -	8,411	14,839
Capital Outlay	2,542	1,208	\$ -	3,226	6,976
	\$ -	\$ -	\$ -	1,036	1,036
TOTAL EXPENDITURES	88,331	21,411	222	21,428	131,412

PROBERT JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
 FT. JORDY THE BARBERS PALM
 COMPARISON OF BUDGETS OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND	FAMILY FRIEND OF SERVICES PROGRAM	WARRANTY PROTECTION FEE	SALES COURT PROGRAM	TOTAL REVENUES (105-1)
EXCESS DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ 12,634	\$ (15,609)	\$ 1,499	\$ (6,500)	\$ (8,976)
OTHER FINANCING SOURCES (USED)					
EXCESS DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ 12,634	\$ (15,609)	\$ 1,499	\$ (6,500)	\$ (8,976)
FUND BALANCE, DECEMBER 1	324,728	18,111	1,311	11,185	355,335
FUND BALANCE, DECEMBER 31	337,362	2,502	2,810	4,685	347,359

**FORTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
EDGARD, LOUISIANA**

Supplemental Information Schedules
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2002

There were no prior year findings or management letter comments.

**FORTIETH JUDICIAL DISTRICT JUDICIAL EXPENSE FUND
ST. JOHN THE BAPTIST PARISH
EDGARD, LOUISIANA**

*Supplemental Information Schedules
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2002*

There are no current year audit findings.

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

Fortieth Judicial District Court
Of St. John the Baptist Parish
State of Louisiana
Edgard, Louisiana

We have audited the financial statements of the Fortieth Judicial District Judicial Expense Fund as of and for the year ended December 31, 2002, and have issued our report thereon dated June 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Fortieth Judicial District Judicial Expense Fund's financial statements are free of material misstatement, we 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 those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no such 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 Fortieth Judicial District Judicial Expense Fund'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be 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.

J.P. Lorio, Jr., CPA (APC)
June 17, 2003