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LOUISIANA PUBLIC FACILITIES AUTHORITY

DECEMBER 31, 1995

BATON ROUGE, LOUISIANA

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 JUN 26 1996

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March 4, 1996

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the accompanying Financial Statements of the Louisiana Public Facilities Authority (A Public Trust) as of December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Public Facilities Authority as of December 31, 1995, and the results of its operations and cash flows 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, 1996 on our consideration of the Authority's internal control structure and a report dated March 4, 1996 on its compliance with laws and regulations.

Respectfully submitted,

Hannis T. Bourgeois & Co., L.L.P.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Exhibit A

LIABILITIES AND FUND EQUITY

Current Liabilities:	
Accounts Payable	$ 29,343
Accrued Expenses:	
Pension Contribution - Note 4	$ 36,907
Escrow Deposits on Bond Issuance Costs	$ 14,431
Total Current Liabilities	$ 80,681
Commitments and Contingencies - Notes 3, 5 and 6	
Fund Equity:	
Net Unrealized Loss on Marketable Debt and Equity Securities - Notes 2 and 8	$ (229,372)
Retained Earnings - Note 9:	
Unreserved - Undesignated	13,198,376
Total Fund Equity	$12,969,004
	$13,049,685

Louisiana Public Facilities Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

for the year ended December 31, 1995

Operating Revenues:	
Project and Program Administrative Fees:	
Finance Acceptance Fees	$ 161,890
Multi-Family Annual Issuer Fees	140,621
Program Administrative Fees	634,484
Other Income	38,805
Total Operating Revenues	$ 975,800
Operating Expenses:	
Legal and Accounting Services.	$ 102,706
Consulting Services	27,183
Grants	27,500
Employees' Salaries and Benefits - Note 4	612,176
Trustee Per Diems	50,100
Provision (Credit) for Uncollectible Receivables and Collateral Escrow Deposits	(24,044)
Depreciation and Amortization	30,101
Rent - Note 3	185,869
Insurance	7,301
Office Expense	129,676
Dues and Subscriptions	60,513
Travel	76,321
Business Promotion and Economic Development	42,695
Other	44,349
Total Operating Expenses	$ 1,372,446
Loss from Operations	$ (396,646)
Nonoperating Revenues:	
Interest Income	$ 740,175
Net Income	$ 343,529
Retained Earnings, Beginning of Year	12,854,847
Retained Earnings, End of Year	$13,198,376

The accompanying notes are an integral part of this statement.

Exhibit B-1

Louisiana Public Facilities Authority

STATEMENT OF CHANGES IN FUND EQUITY

for the year ended December 31, 1995

	NET UNREALIZED LOSS ON MARKETABLE DEBT AND EQUITY SECURITIES	RETAINED EARNINGS		
		RESERVED FOR GRANTS	UNRESERVED-UNDESIGNATED	TOTAL
Balance at January 1, 1995	$ (390,275)	$ -	$12,854,847	$12,464,572
Operating Revenues	-	-	975,800	975,800
Less: Operating Expenses	-	(27,500)	(1,344,946)	(1,372,446)
Nonoperating Revenues	-	-	740,175	740,175
Net Unrealized Gain on Marketable Debt and Equity Securities	160,903	-	-	160,903
Funds Used for Current Year Grant Appropriations	-	27,500	(27,500)	-
Balance at December 31, 1995	$ (229,372)	$ -	$13,198,376	$12,969,004

The accompanying notes are an integral part of this statement.

Exhibit C

Louisiana Public Facilities Authority

STATEMENT OF CASH FLOWS

for the year ended December 31, 1995

Cash Flows From Operating Activities:	
Loss from Operations	$ (396,646)
Adjustments to Reconcile Loss from Operations to Net Cash Used in Operating Activities:	
Depreciation and Amortization	30,101
Provision for Uncollectible Receivables and Collateral Escrow Deposits	(24,044)
Forfeited Escrow Deposits	(34,673)
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(21,174)
(Increase) Decrease in Prepaid Expenses	(21,060)
(Increase) Decrease in Other Assets	17,418
Increase (Decrease) in Accounts Payable	1,715
Increase (Decrease) in Accrued Expenses	(8,708)
Increase (Decrease) in Escrow Deposits on Bond Issuance Costs	21,043
Net Cash Used in Operating Activities	$ (436,028)
Cash Flows From Capital and Related Financing Activities:	
Purchase of Property and Equipment	$ (11,634)
Net Cash Used in Capital and Related Financing Activities	$ (11,634)
Cash Flows From Investing Activities:	
Purchase of Investment Securities	$(2,583,038)
Proceeds from Sale and Maturities of Investment Securities	3,600,687
Interest on Investments and Cash Equivalents	740,175
Net Cash Provided by Investing Activities	$ 1,757,824
Net Increase in Cash and Cash Equivalents	$ 1,310,162
Cash and Cash Equivalents - Beginning of Year	1,751,967
Cash and Cash Equivalents - End of Year	$ 3,062,129
Supplemental Disclosure of Cash Flow Information:	
Non Cash Investing Activities:	
Net Change in Unrealized Holding Gains (Losses) on Available for Sale Securities	$ 160,903

The accompanying notes are an integral part of this statement.

Louisiana Public Facilities Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

Note 1 - General Information and Summary of Significant Accounting Policies -

The Louisiana Public Facilities Authority (the Authority), a public trust, was organized on August 21, 1974, under the provisions of the Louisiana Public Trust Act R.S. 9:2341 et seq. The Authority operates under a Board of Trustees.

The purposes of the Authority are to promote, encourage and further the accomplishment of all activities which are or may become of benefit to the State of Louisiana and which have a public purpose. To accomplish these purposes, the Authority issues bonds which provide the proceeds for the furtherance and accomplishment of various public purposes. The issuance of such obligations has been accounted for through trustee accounts maintained with various banks appointed as trustees. The obligations are limited and special obligations of the Authority and, as such, the Authority does not normally have any claims to assets or liabilities relating to the Bond issues. Accordingly, such transactions are not included in the accompanying financial statements until such time as an asset or liability has been determined to exist relating to residual amounts. Total bond principal outstanding at December 31, 1995, for Programs and Projects was approximately $1,018,000,000 and $1,831,000,000, respectively.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes the accounts which are controlled by or dependent on the Louisiana Public Facilities Authority's Board of Trustees. Control by or dependence on the Board was determined on the basis of budget adoption, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The accompanying financial statements only include the financial information of the Louisiana Public Facilities Authority and no other organization.

B. Fund Accounting

The Authority has only one fund to which all accounts are organized and accounted for as a single entity. This fund is operated as an Enterprise Fund which is used to account for operations that are financed and operated in a manner similar to a private business.

C. Fixed Assets and Long-Term Liabilities

Depreciation and amortization of all fixed assets used by the Authority is charged as an expense against its operations. Depreciation and amortization has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Office Furniture and Equipment	5 - 7 Years
Leasehold Improvements	Shorter of Economic Useful Life or Terms of the Lease

All fixed assets are stated at historical costs.

In March, 1995 the Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Amounts and for Long-Lived Assets to be Disposed of" was issued and is required to be adopted by the Authority during 1996. Management believes that such adoption will not have a material effect on the Authority's financial statements taken as a whole.

D. Investment in Debt and Marketable Equity Securities

The Authority has investments in debt and marketable equity securities. Debt securities consist primarily of obligations of the U.S. government. Marketable equity securities consist primarily of mutual funds with investments in U.S. government obligations.

In accordance with the provisions of FASB Statement 115, securities are divided into two separate classifications - held to maturity and available for sale. The Authority does not engage in trading activities.

Management determines the appropriate classification of securities at the date of adoption, and thereafter at the date individual investment securities are acquired, and that the appropriateness of such classification be reassessed at each balance sheet date. Classification of investment securities and the related accounting policies are as follows:

- Held-to-maturity securities consist solely of debt securities which the Authority has the positive intent and ability to hold to maturity and are stated at amortized cost.

- Available-for-sale securities consist of debt securities and marketable equity securities not classified as trading or held-to-maturity. Available-for-sale securities are stated at fair value, and unrealized holding gains and losses, are reported as a separate component of fund equity.

- Premiums and discounts on investments in debt securities are amortized utilizing the straight-line method over their contractual lives. Use of this method does not result in a material difference from the interest method required by generally accepted accounting principles. Interest on debt securities is recognized in income as earned, and dividends on marketable equity securities is recognized in income when declared. Realized gains and losses, including losses from declines in value of specific securities determined by management to be other-than-temporary, are included in income. Realized gains and losses are determined on the basis of the specific securities sold.

- Transfers of debt securities into the held-to-maturity classification from the available-for-sale classification are made at fair value on the date of transfer. The unrealized holding gain or loss on the date of transfer is retained in the separate component of fund equity and in the carrying value of the held-to-maturity securities. Such amounts are amortized over the remaining contractual lives of the securities utilizing the straight-line method.

- The fair value for cash and cash equivalents is based on a reasonable estimate of fair value. The fair value of investments is based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investments.

Louisiana Public Facilities Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1995

E. Basis of Accounting

Assets, liabilities, retained earnings, revenue and expenses are recognized on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

F. Operating Revenues

Project and Program Administrative Fees

Finance Acceptance Fee

The Authority requires a financing acceptance fee usually equal to one-tenth of one percent of the face amount of issued bonds. The financing acceptance fee covers general administration expenses incurred by the Authority. This fee is due upon the closing of a bond issue and is recorded as revenue at such time.

Multi-Family Annual Issuer Fees

The Authority assesses an annual issuer fee on all multi-family bond issues. The fee is based upon a percentage of the outstanding bond principal balance as of January 1 of each year. The percentage is either one-twentieth of one percent for all pre 1985 issues or one-tenth of one percent for issues thereafter. The fee covers general administration expenses incurred by the Authority.

Program Administrative Fees

The Authority acts as both the issuer and administrator for certain bond programs. The Authority is compensated as administrator through a fee based upon a percentage of either the outstanding bonds or assets of the program. The percentages vary from one-tenth of one percent to seven-tenths of one percent. The fee is assessed to cover program administrative costs incurred by the Authority.

G. Income Taxes

No provision is made for income taxes because, as a public trust of the State of Louisiana, the Authority is exempt from federal and state income taxes.

H. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

I. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

Note 2 - Cash, Cash Equivalents and Investments -

The Authority maintains cash, certificates of deposit and investment pools available for use by the Authority.

Deposits - At year end the carrying amount of the Authority's deposits was $50,665 and the bank balance was $106,470. The entire bank balance was covered by federal deposit insurance.

Cash Equivalents and Investments - The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes deposits or investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name.

Louisiana Public Facilities Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1995

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CARRYING AMOUNT	FAIR VALUE	UNREALIZED (GAIN) LOSS
Operating Bank Account	$ 50,665	$ -	$ -	$ 50,665	$ 50,665	$ -
Investment Management Accounts:						
Money Market Accounts	-	-	1,865,919	1,865,919	1,865,919	-
Time Certificates of Deposit with Various Banks	2,374,000	-	-	2,374,000	2,374,000	-
Other Accounts:						
Money Market Accounts	-	-	912,777	912,777	912,777	-
Certificates of Deposit and Savings	49,335	183,283	-	232,618	232,618	-
Cash on Hand	-	-	150	150	150	-
	$2,474,000	$183,283	$2,778,846	$ 5,436,129	$ 5,436,129	$ -
Available for Sale Investments:						
Investment in U.S. Securities Mutual Fund				$ 3,124,701	$ 2,895,329	$229,372
Held to Maturity Investments:						
U.S. Treasury Notes				$ 3,271,337	$ 3,303,647	$(32,310)
Other				60,834	60,834	-
Total Held to Maturity Investments				$ 3,332,171	$ 3,364,481	$(32,310)
				$11,893,001	$11,695,939	$197,062
Net Unrealized Loss on Available for Sale Investments				$ (229,372)		
				$11,663,629		

Louisiana Public Facilities Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1995

The net unrealized loss on available for sale investments of $229,372 is reflected in the financial statements as a separate component of fund equity.

The amortized cost and fair value of debt securities classified as held to maturity investments, by contractual maturity, as of December 31, 1995 are as follows:

	AMORTIZED COST	FAIR VALUE
1996	$1,875,475	$1,883,478
1997	1,395,862	1,420,169
1998	60,834	60,834
	$3,332,171	$3,364,481

Cash, Cash Equivalents and Investments are included in the accompanying Balance Sheet under the following captions:

Current Assets:	
Cash and Cash Equivalents	$ 3,062,129
Investments - Current	3,653,459
Investments - Long-Term	4,948,041
	$11,663,629

Note 3 - Leases -

Rental expense applicable to the Authority's offices included in rent expense for 1995 was $185,869.

In January 1996, the Authority moved to a new office and entered into a three year lease. The agreement states that the Authority will make monthly payments of $7,552 until January 1999.

Note 4 - Employee Retirement Plan -

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7½% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon the retirement of an employee. The total contribution approved during the year ended December 31, 1995 was $36,907.

Louisiana Public Facilities Authority

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1995

Note 5 - Litigation -

Because of the Authority's status as an issuer of bonds, it is routinely named in various litigation related to the funded projects and programs. In the opinion of management and legal counsel for the Authority, these claims against the Authority are without merit because of the Authority's limited position as only a conduit for the bond issues.

Note 6 - Commitments and Contingencies -

Gain Contingency

Beneficial Interest in Special Purpose, Non-Profit Corporations:

The Authority is a sole member in two Louisiana special purpose, non-profit corporations. These corporations were created to facilitate the perfection of certain obligations under repurchase agreements involved with the participating letter of credit banks associated with specific bond issues. The Authority, as sole member of these corporations, is the beneficiary of any remaining funds upon the dissolution of these corporations. The corporations, along with their respective cash balances as of December 31, 1995 are as follows:

DESCRIPTION	CASH BALANCE AS OF DECEMBER 31, 1995
Louisiana Capital Funding Corporation	$ 15,752
Louisiana Equipment Finance Corporation	18,738
Total Funds in Which the Authority has a Beneficial Interest	$ 34,490

The above cash balances are not included in these financial statements.

Loan Guarantor

At December 31, 1995, the Authority has guaranteed the repayment of up to $600,000 in loans made by the Louisiana Public Facilities Authority Super Trust Origination Program Trust, of which the Authority is the beneficiary.

Note 7 - Escrow Deposits -

An escrow deposit was established in the amount of $100,000 and was deposited with American Bank and Trust Company (predecessor to Hancock Bank) as escrow agent for the 1984 Supplemental Student Loan Revenue Bonds, Series B and C. At the end of each calendar year, the Escrow Agent is to disburse to the Authority the excess of the balance of the Escrow Deposit over the aggregate amount of principal outstanding on the "Rejected Loans" of this program plus 120 days interest thereon computed at 36% per annum. At December 31, 1995, $8,271 was due from the Escrow Agent and is included as an Other Receivable. The balance remaining with the Escrow Agent at December 31, 1995 is $9,774, of which $3,000 has been reserved by the Authority as uncollectible and the net amount of $6,774 is included in the financial statements as an Other Asset.

Note 8 - Fund Equity -

Net Unrealized Loss on Marketable Debt and Equity Securities:

As explained in Notes 1 and 2, the Authority reserves fund equity for a valuation allowance which adjusts the carrying value of available for sale investment securities to fair value. As of December 31, 1995 the reserve was $229,372.

Reserved Retained Earnings:

The Authority records reserves to indicate that a portion of the undesignated retained earnings has been appropriated for future use. In past years, funds have been reserved for grants authorized and approved for disbursement in future periods. As of December 31, 1995, there were no outstanding grants approved that were unfunded.

Designated and Undesignated Retained Earnings:

Due to the wording of certain bond indentures, the residuals from these indentures are required to be used for future "similar" public purpose Program or Programs. As the Program and/or Programs are not in existence at the end of a year, and the Authority has tentative plans for future "similar" Public Purpose Programs, the residuals of these bond indentures are considered Designated for Future Programs. At December 31, 1995, the Authority had exhausted all designated retained earnings.

Retained Earnings which has no restrictions on its usage is termed Unreserved-Undesignated.

Note 9 - Fair Value of Reimbursable Bond Issuance Costs -

In its capacity as issue of bond Programs and Projects, the Authority may from time to time advance funds to facilitate the issuance of certain bonds. These advances or Reimbursable Bond Issuance Costs are interest free and are to be repaid with residual proceeds from the individual Programs or Projects.

The fair value for these Reimbursable Bond Issuance Costs are estimated using discounted cash flow analyses, with interest rates similar to the rate of return that the Authority receives on its investments. The terms used in calculating discounted cash flows are estimated based upon the maturity dates of the bond issues in which monies were advanced. The carrying value and fair value of Reimbursable Bond Issuance Costs are as follows:

	CARRYING VALUE	FAIR VALUE
Reimbursable Bond Issuance Costs	$1,067,078	$623,099

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S
REPORT ON THE SCHEDULE
OF PER DIEMS PAID TRUSTEES

HANNIS T. BOURGEOIS & CO., L.L.P.

Certified Public Accountants

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March 4, 1996

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the Financial Statements of the Louisiana Public Facilities Authority (the Authority) for the year ended December 31, 1995, and have issued our report thereon dated March 4, 1996. Our audit was made in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of per diems paid trustees for the year ended December 31, 1995, is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority. The information in this schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Hannis T. Bourgeois & Co., L.L.P.

Schedule 1

Louisiana Public Facilities Authority

SCHEDULE OF PER DIEMS PAID TRUSTEES

for the year ended December 31, 1995

Victor Bussie - Chairman	$ -
Thomas A. Antoon - Vice Chairman	29,100
Lemon Coleman, Jr. - Secretary/Treasurer	8,100
Owen Brennan, Jr. - Assistant Secretary	8,100
Florice D. Barron - Assistant Secretary	4,800
	$ 50,100

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

HANNIS T. BOURGEOIS & CO., L.L.P.

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DENHAM SPRINGS, LA 70726

March 4, 1996

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Public Facilities Authority (the Authority), for the year ended December 31, 1995, and have issued our report thereon dated March 4, 1996.

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 Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Authority, for the year ended December 31, 1995, 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 have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 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 and irregularities in amounts that would be material in relation to the general purpose financial statement 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 operation that we consider to be material weaknesses as defined above.

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

Respectfully submitted,

Harris T. Bourgeois & Co., L.L.P.

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

HANNIS T. BOURGEOIS & CO., L.L.P.

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March 4, 1996

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Public Facilities Authority (the Authority), for the year ended December 31, 1995, and have issued our report thereon dated March 4, 1996.

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

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

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Respectfully submitted,

Harris T. Bourgeois & Co., L.L.P.