

CHILD SUPPORTS DISTRICT NO. 1

MONROE, LOUISIANA

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COMMUNICATIONS DIVISION NO. 1

MEMPHIS, TENNESSEE

FINANCIAL STATEMENT

APRIL 11, 1972 AND 1971

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the judicial, or executive, 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 APR 14 1972

Board members should be made aware of any potential claims and their progress at monthly meetings.

In addition, claims should be set up in the general ledger so that they can be monitored.

General Ledger Accounting

Substantial adjustments were required at year end to the District's financial statements.

Accruals for financial accounting is necessary for management and the board to evaluate financial performance and budget variances.

Issues of Prior Year Comments

The segregation of duties problem still exists but the District is attempting to mitigate these with bank reconciliations being prepared and returned items being controlled independently of its office.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I raised the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of Caddo Sewerage District No. 1, Shreveport, a component unit of Caddo Parish, Louisiana for the year ended December 31, 1996.

Revenues and reconciliations

Reconciliation of the general ledger control accounts for Customer Receivables to the detail in the computer, currently is not being performed. This reconciliation is necessary to control the numerous receipts on customer accounts. This reconciliation should be performed by the outside accounting service with cooperation of District employees.

This report is intended solely for the information of the Board of Commissioners, management, and the Parish Home Administration. However, this report is a matter of public record and its distribution is not limited.



Richard E. McCallister
March 18, 1997

The annual requirements to service all bond debt outstanding at December 31, 1998, including interest payments of \$9,517,706 are as follows:

Year ending December 31	Collection	Expense	Total
1997	\$1,885	187,111	250,713
1998	84,888	189,631	250,476
1999	89,349	188,881	250,813
2000	81,385	187,121	250,506
2001	84,888	185,528	250,813
2002 - 2007	183,187	4,308,438	3,881,813
	-----	-----	-----
Total	3,108,372	5,282,008	8,385,913
	-----	-----	-----

22. Rate revenue/delinquent charges

In accordance with the District's bond resolution authorizing the issuance of its refunding bonds, the District, through its Board of Commissioners, agrees to file, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, and will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year, the principal and interest maturing on the Bonds and the Parity Bonds in each year, all revenues or sinking funds or other payments required for each year by the Bond Resolution, and all other obligations or indebtedness payable out of the revenues of the System for each year, and which will provide revenues in each year after paying all reasonable and necessary expenses of operating and maintaining the System in each year, at least equal to 120% of the largest amount of principal and interest maturing in any future fiscal year on the Bonds and the Parity Bonds.

Bond service coverage for the year ended December 31, 1998 is calculated below:

Largest principal and interest maturing in any future fiscal year.....	388,351
Rate coverage.....	120%
Required debt service coverage.....	466,021
Operating income.....	382,388
Add: Depreciation.....	137,882
Interest on revenue accounts.....	32,824
Less: Paying agent fees included in fiscal charges.....	1,880
Debt service coverage.....	650,214

<u>LIABILITIES AND FUND EQUITY</u>	<u>1996</u>	<u>1995</u>
Current liabilities payable from current services		
Accounts payable.....	4,199	5,609
Total.....	4,199	5,609
Current liabilities payable from restricted services		
Accrued interest-revenue bonds.....	25,518	25,543
Revenue bonds payable.....	40,866	35,209
System deposits and permits held.....	94,813	95,244
Accrued interest-general obligation bonds.....	13,337	13,518
General obligation bonds payable.....	20,800	20,800
Deduction from taxes-revenue.....	3,218	3,133
Construction payable.....	844	63,107
Total.....	205,596	226,553
Total current liabilities.....	209,795	232,162
Long term liabilities		
Revenue bonds payable-Note 8.....	2,380,844	2,619,860
General obligation bonds payable-Note 9.....	825,800	845,800
Bonds payable-Louisiana DFD-Note 12.....	134,882	131,672
Total long-term liabilities.....	3,341,526	3,607,332
Total liabilities.....	3,551,321	3,839,494
Fund equity		
<u>Contributed capital</u>		
Federal EPA contribution.....	38,870	38,844
Louisiana grant.....	737,384	742,372
Total contributed capital.....	776,254	781,216
<u>Retained earnings</u>		
Reserved for general obligation bond retirement.....	187,385	95,380
Reserved for revenue bond current debt service.....	€ 32,939	€ 38,320
Reserved for revenue bond future debt service.....	141,360	127,840
Reserved for revenue bond debt service contingency.....	113,888	118,881
Unreserved retained earnings.....	€ 18,189	€ 45,151
Total retained earnings.....	593,761	387,572
Total fund equity.....	1,370,015	1,168,788
Total liabilities and equity.....	4,921,336	4,998,282

GREEN SHIPBOARD DISTRICT NO. 2

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE THREE MONTH PERIODS ENDED 31, MARCH AND APRIL

	1999	1998
Operating revenues		
Fees and charges for services.....	304,981	328,384
Operating expenses		
Personnel services.....	32,854	32,385
Advertising, share and subscriptions.....	1,304	300
Printing.....	881	1,301
Utilities.....	18,782	18,384
Communications.....	5,049	5,443
Rentals paid.....	4,889	4,358
Maintenance of property and equipment.....	90,454	77,854
Professional services.....	15,358	18,657
Insurance and savings funds.....	13,951	14,925
Office expenses.....	4,788	3,828
Taxes.....	5,029	4,029
Bad debts.....	44	1,681
Depreciation.....	137,382	139,829
Total operating expenses.....	512,985	513,189
Operating income.....	102,106	105,205
Non-operating revenue (expense)		
Interest income.....	19,486	21,736
and dividend income.....	73,181	73,326
Loss recovery charges.....	(2,204)	(2,324)
Interest and fiscal charges.....	(203,628)	(208,322)
Total non-operating revenue (expense).....	(113,265)	(115,590)
Net income.....	45,129	79,706
and depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduce contributed capital.....	26,870	26,870
Increase in retained earnings.....	72,009	106,594
Retained earnings, beginning.....	281,157	281,360
Retained earnings, ending.....	353,166	387,954

The accompanying notes are an integral part of these financial statements.

CADDO LEVYAGE DISTRICT NO. 1

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 1986 AND 1985

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	1986	1985
Cash flows from operating activities:		
Cash received from customers.....	517,810	549,000
Cash received from MOH.....	471,683	3,779
Cash payments to suppliers for goods and services.....	(179,514)	(148,000)
Cash payments for personal services.....	(50,944)	(50,505)
Cash payments for debt retirement.....	(107,713)	(8,000)
Net cash provided by operating activities-Note 13.....	580,322	545,274
Cash flows from non-capital financing activities:		
Deposits received from customers.....	210	6,479
Net cash from non-capital financing activities.....	210	6,479
Cash flows from capital and related financing activities:		
Levies and bonds received.....		68,000
Proceeds from advances less collection.....	68,631	68,347
Acquisition and construction of capital assets.....	(3,334)	(278,000)
Principal paid on revenue bonds.....	(32,800)	(32,800)
Interest paid on revenue bonds.....	(160,991)	(160,000)
Principal paid on general obligation bonds.....	(38,000)	(38,000)
Interest paid on general obligation bonds.....	(43,634)	(45,000)
Net cash used for capital and related financing activities.....	(190,994)	(528,500)
Cash flows from investing activities:		
Interest on investments.....	37,488	31,300
Net increase (decrease) in cash and cash equivalents.....	116,064	31,300
Cash and cash equivalents at beginning of year.....	529,180	513,881
Cash and cash equivalents at end of year-Note 13.....	645,244	545,181

The accompanying notes are an integral part of these financial statements.

CADDO BEVERAGE DISTRICT NO. 3
NOTE TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1985

1. Summary of significant accounting policies

The following is a summary of the significant accounting policies of the District:

- a. Caddo Beverage District No. 3 is a governmental subdivision of the Caddo Parish Commission. The report includes all funds controlled by Caddo Beverage District No. 3. The District is considered a component unit of the Caddo Parish Commission, and will be included in the Commission's financial report for 1986. The District was formed to construct and operate a beverage collection and treatment system south of Shreveport, Louisiana. The District serves approximately 1,500 customers and has one full-time employee. Its five board members are appointed by the Caddo Parish Commission and are compensated \$88 each per meeting attended. It is accounted for as an enterprise fund as the project is substantially financed through user fees. The District uses the accrual basis of accounting where revenues are recognized when earned and become measurable. Expenses are recognized when incurred.

- b. Provisions for bad debts on receivables are provided rationally and identified bad debts are written off against the balances provided.
- c. Property, plant and equipment are stated at cost. Depreciation is provided on assets in service using the straight-line method over their useful lives.

All costs associated with the construction of the system additions, including interest and financing costs, are capitalized. Financing costs associated with refunding bond issues are capitalized and amortized over the term of the bond issue.

Depreciation recognized on assets acquired with contributed capital is charged to the appropriate contributed capital account.

- d. All highly liquid debt instruments (including restricted assets purchased with a maturity of three months or less) are considered to be cash equivalents for the purpose of the statement of cash flows.
- e. Income taxes are not provided as the District is exempt from taxes being a governmental unit.
- f. The District has adopted a leave policy only as to vacation. The policy does not provide for accumulation and vesting of leave. Therefore, no provision is made for accumulation and vesting of leave.

2. Restricted account receipts and disbursements

	Revenue Sinking	Reserve Sinking	Dep't & Sinking	Ad Valuam	Contingent	Roll
Cash - January 31, 1890.....	25,482	227,048	128,881	68,232	7,260	45,886
Cash receipts:						
Transfer from operating account.....	198,250	9,812	8,902		28,000	12,880
Receipts from ISSD.....					221,483	
Tax collections.....				68,632		
Interest on investments.....	3,180	4,200	2,932	4,060	206	1,484
Total cash receipts.....	198,430	14,012	11,834	72,692	245,889	14,364
Total cash available.....	223,912	241,160	140,715	140,924	131,149	60,250
Cash disbursements:						
Principal and interest.....	192,648			62,865		
Contractors, equipment and professionals.....					120,450	
Administrative.....	368			750	18	
Total cash disbursements.....	193,016			63,615	120,468	
Cash - December 31, 1890.....	29,896	141,160	228,881	77,309	32,681	56,186
Amounts required to be on deposit....	24,120	223,280	223,881			

	Revenue Sinking	Reserve Sinking	Dep't & Sinking	Ad Valuam	Contingent	Roll
Cash - January 31, 1895.....	25,849	117,174	128,889	55,445	38,438	50,768
Cash receipts:						
Transfer from operating account.....	284,829	2,128	8,702		127,000	12,880
Tax collections.....				68,267		
Interest on investments.....	1,320	8,328	4,190	2,528	2,483	1,320
Total cash receipts.....	286,149	10,456	12,894	70,795	129,483	14,200
Total cash available.....	312,335	127,630	141,783	126,240	160,921	64,968
Cash disbursements:						
Principal and interest.....	283,814			66,458		
Contractors, equipment and professionals.....					168,651	
Administrative.....	1,480			645	7	
Total cash disbursements.....	285,294			67,103	168,658	
Cash - December 31, 1895.....	27,041	127,630	141,783	60,237	7,281	66,668
Amounts required to be on deposit....	24,887	223,613	228,881			

2. Collateralization of cash accounts

Cash deposits at Premier Bank are collateralized as follows at December 31, 1994 and 1993:

	1994	1993
Fair market value of securities pledged.....	346,250	447,400
Current FDIC coverage.....	385,000	180,000
	-----	-----
Total collateral.....	731,250	627,400
Collected cash balances.....	581,000	527,000
	-----	-----
Collateralization excess.....	150,250	100,400
	-----	-----

2. Fund deficit

At December 31, 1994, the unreserved earnings deficit totals \$ 18,188. The Board has set a rate structure that provides the cash flow sufficient to cover its operations and its rate revenues in its bond resolutions. With the passage of time, this deficit will reverse itself.

2. Accounts receivable

Accounts receivable customers at December 31, 1994 and 1993 consists of the following:

	1994	1993
accounts receivable-customers.....	31,001	30,994
allowance for bad debts.....	(2,400)	(2,400)
Accounts receivable-miscellaneous.....	8,350	3,322
	-----	-----
Total.....	36,951	31,916
	-----	-----

2. Ad valorem taxes

An ad valorem tax is levied in October each year for the fiscal year and becomes delinquent after December of the same year. Taxes are collected by the LaSalle Parish Sheriff's office and forwarded to the District after removal of tax assessor charges. Ad Valorem tax revenue is recognized when levied.

	1994	1993
Assessed valuation within District - net.....	3,484,750	3,483,350
Millage.....	20.00	20.00
	-----	-----
Taxes levied.....	72,694	72,307
Less: Taxes already collected.....	-----	1,000
Estimate of uncollectibles.....	3,436	1,036
	-----	-----
Accounts receivable - ad valorem tax.....	12,820	30,831
	-----	-----

In accordance with Government Auditing Standards, I have also issued a report dated March 19, 1998 on my consideration of Webb Township District No. 2 General Control Structure and a report dated March 19, 1997 on its compliance with laws and regulations.

Richard C. McCallister

Richard C. McCallister
March 19, 1997

Bonds payable at December 31, 1998 and 1999 are comprised of the following individual issues:

	1998	1999
General Obligation Bonds received through ad valorem tax collections:		
\$385,000 1990 bonds due in annual installments of principal and interest of approximately \$21,000 through 2020; interest at 3 percent.....	385,000	310,000
1400,000 1998 bonds due in annual installments of principal and semi-annual installments of interest totaling approximately \$43,000 each year through 2008; interest is variable by year and averages 8% over the entire term.....	1400,000	503,000
Total general obligation bonds.....	1785,000	813,000
Revenue Bonds:		
\$208,000 1980 sewer revenue bonds due in annual installments of principal and interest of approximately \$20,000 through 2005; interest at 8%.....	208,000	454,000
\$2,315,000 1988 sewer revenue bonds due in annual installments of principal and interest of \$95,855 through 2018; interest at rates below:		
2000 @ 11.25%.....	865,284	973,822
2000 @ 7.50%.....	200,520	270,441
\$815,000 sewer revenue refunding bonds due in annual installments of principal and semi-annual installments of interest of approximately \$70,000 through 2018; average interest at 7.5 percent.....	740,000	755,000
Total revenue bonds.....	2,420,804	2,454,263

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Independent Auditor's Report

The Board of Commissioners
Caddo Beverage District No. 2
Shreveport, Louisiana

I have audited the accompanying financial statements of Caddo Beverage District No. 2, a component of Caddo Parish, Louisiana, as of December 31, 1996 and 1995 listed in the foregoing table of contents. The financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As disclosed in Note 1, the financial statements pertain only to Caddo Beverage District No. 2 and are not intended to present fairly the financial position of Caddo Parish, State of Louisiana, and the results of its operations and cash flows of its proprietary fund types and nonproprietary trust funds in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caddo Beverage District No. 2 of Caddo Parish, Louisiana, as of December 31, 1996 and 1995 and the results of its operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

10. Flow of Funds: Anticipation of Sewer Revenue Bonds

Under the terms of the bond indentures on outstanding Sewer Revenue Bonds, all income and revenues hereinafter referred to as revenues of every nature, earned or derived from operations of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Revenue is first deposited in Sewer Revenue Fund and shall first provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount equalizing 1/12 of the next maturing installment of principal and 1/12 of the next maturing installment of interest on the out- standing bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall also be set aside into a "Sewer Reserve Fund" an amount equal to 5% of the principal and interest payments required during the current fiscal year until there shall have been accumulated in the Sewer Reserve an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and in which there would otherwise be default.

Funds will also be set aside into a Depreciation and Contingency Fund an amount equal to 5% of the principal and interest payments required during each fiscal year. Money in the Fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

11. Loans authorized

The Louisiana Department of Transportation and Development (DOTD) has issued the district \$14,000 pursuant to Act 219 of the Louisiana Legislature. The funds were used to replace coverage lines. The Act does not have any stated repayment terms or interest rate. DOTD can demand repayment when the District permits any additions to a state maintained highway right-of-way. A separate fund called "Good Siding Fund" was started during 1996 for eventual repayment of this loan if necessary. The District plans to place \$1,000 per month in such fund. At December 31, 1998, the account balance was \$26,108.

12. Pension Plan

The District has adopted a Simplified Employee Pension Individual Retirement Accounts Contribution Agreement. The plan calls for discretionary contributions in each calendar year to the Individual Retirement Accounts of all eligible employees who are at least 21 years old and worked in an least 3 years of the immediately preceding 5 years. Total payroll for the year ended December 31, 1998 was \$48,908 of which \$8,898 was covered by the plan. The policy of the District is to contribute to the plan a percentage of covered payroll equal to the employer's portion of taxes that would have been due under Social Security. Such percentage was 3.02% and contributions of \$463 were paid to the plan.

CASES REMOVED DURING NO. 2
 BUREAU OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDING DECEMBER 31, 1966

Federal Grant/Program Title	Federal ID# Number	Program Amount
Other Federal Assistance:		
Parsons Home Administration Loan Saver Construction	18-438	1,885,887 00 000 000 0

How to compute

The Parsons Home Administration is the registered owner of the following bond issues stated as the principal balances as December 31, 1966.

1963 General Obligation Bonds.....	200,000
1962 State Revenue Bonds.....	148,000
1965 State Revenue Bonds.....	865,884
1966 State Revenue Bonds.....	269,325

Total bonds.....	1,483,209

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS OF FEDERAL
FINANCIAL INSTITUTIONS**

The Board of Commissioners
Cadee Beverage District No. 7
Shreveport, Louisiana

I have audited the financial statements of Cadee Beverage District No. 7, Shreveport, a component unit of Cadee Parish, Louisiana, as set out for the year ended December 31, 1997, and have issued my report thereon dated March 19, 1998. These financial statements are the responsibility of Cadee Beverage District No. 7, Shreveport, Louisiana management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular 4-120, "Audits of State and Local Governments." These standards and OMB Circular A-120 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the financial statements of Cadee Beverage District No. 7, Shreveport, Louisiana, taken as a whole. The accompanying schedule of Federal Financial Institutions is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Richard C. McCallister

Richard C. McCallister
March 19, 1998

This report is intended for the information of the Board of Commissioners, management, and the Farmers Home Administration, Emmett. This report is a matter of public record and its distribution is not limited.

Richard E. McCullister

Richard E. McCullister
March 19, 1997

Richard C. McCaffrey
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH FEDERAL REQUIREMENTS APPLICABLE IN MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Board of Commissioners
Caddo Sewerage District No. 7
Shreveport, Louisiana

I have audited Caddo Sewerage District No. 7, Shreveport, a component unit of Caddo Parish, Louisiana, for the year ended December 31, 1996, and have issued my report dated March 18, 1997.

I also audited Caddo Sewerage District No. 7, Shreveport, Louisiana compliance with the requirements governing types of services allowed or disallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal financial assistance programs, which are identified in accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of Caddo Sewerage District No. 7, Shreveport, Louisiana is responsible for the Caddo Sewerage District No. 7, Shreveport, Louisiana compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-120, Audits of State and Local Governments. These standards and OMB Circular A-120 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Caddo Sewerage District No. 7, Shreveport, Louisiana, compliance with these requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, Caddo Sewerage District No. 7, Shreveport, Louisiana, complied in all material respects, with the requirements governing types of services allowed or disallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal assistance programs for the year ended December 31, 1996.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE FEDERAL ASSISTANCE REGULATIONS IN
TITLE I, FINANCIAL ASSISTANCE PROGRAM.**

The Board of Commissioners
Caddo Beverage District No. 7
Shreveport, Louisiana

I have audited the financial statements of Caddo Beverage District No. 7, Shreveport, a component unit of Caddo Parish, Louisiana, as of and for the year ended December 31, 1995 and have issued my report thereon dated March 18, 1997.

I have applied procedures to test Caddo Beverage District No. 7, Shreveport, Louisiana, compliance with the following requirements applicable to its federal assistance program, which are identified in the Schedule of Financial Assistance, for the year ended December 31, 1995:

Political activities; Civil Rights; Cash management;
Federal financial reports; Allowable expenses;
principles; Drug-Free Workplace Act; and Administrative
Requirement.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single audits of State and Local Governments." My procedures were substantially less in scope than would, the objective of which is the expression of an opinion on Caddo Beverage District No. 7, Shreveport, Louisiana, compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Caddo Beverage District No. 7, Shreveport, Louisiana, had not complied, in all material respects, with these requirements.

This report is intended for the information of the Board of Commissioners, management, and the Farmers Home Administration. However, this report is a matter of public record and its distribution is not limited.

Richard C. McCallister

Richard C. McCallister
March 18, 1997

All volume taxes are assessed to retire the general obligation bonds of the District. The District has \$145,391 in net current assets at December 31, 1990 to cover \$46,400 in 1997 maturing principal and interest. Based on the current property valuations within the District, subsequent billing requirements should approximate eightiers.

2. Fixed Assets

The District completed construction of its fifth phase of sewer system January 1, 1985 at a cost of \$1,881,808. The second phase was completed December 3, 1988, at a cost of \$1,855,374. Substantial additions were completed during 1990 at a cost of \$853,943. Constructed systems are being depreciated on a straight-line basis of 35 years. Existing systems purchased in 1983 for \$148,928 are being depreciated on a straight-line basis of 20 years.

3. Deferred Finance Charges

In conjunction with the 1991 sewer revenue refunding bond issue, \$100,825 of refinancing costs were incurred. These costs are being amortized on a straight-line basis over the term of the new bond issue. For the year ended December 31, 1990, amortization of these costs was \$ 4,329 and is included in interest expense.

4. Changes in long-term debt

The following is a summary of bond transactions of the District for the years ending December 31, 1990 and 1989:

	General Obligation		Revenue	
	1990	1989	1990	1989
Bonds payable, beginning of year.....	\$63,000	\$83,000	2,454,283	2,488,167
Less bonds retired.....	38,000	20,000	52,408	33,859
Bonds payable, end of year.....	\$25,000	\$63,000	2,401,875	2,454,308
Less portions classified as current.....	38,000	20,000	60,000	33,300
Long-term portion.....	\$13,000	\$43,000	2,341,875	2,421,008

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

The Board of Commissioners
Caddo Sewerage District No. 7
Monroeport, Louisiana

I have audited the financial statements of Caddo Sewerage District No. 7, Monroeport, a component unit of Caddo Parish, Louisiana, as of and for the year ended December 31, 1998 and have issued my report thereon dated March 19, 1999.

I have conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

The management of Caddo Sewerage District No. 7, Monroeport, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, evaluation 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 the 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. Projections 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 my audit of the financial statements of Caddo Sewerage District No. 7, Monroeport, Louisiana, for the year ended December 31, 1998, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide my opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operations that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Internal Accounting and Administrative Controls Breakdown of Roles

Due to the District being limited primarily to one person involved in the operation of the office, most of these aspects of internal accounting control which rely upon an adequate segregation of duties are for all practical purposes, missing in your system. I recognize that the District's administration is not large enough to make the employment of additional persons for the purpose of segregating duties practicable from a cost benefit standpoint; but I am required, under my professional responsibilities, to call the situation to your attention.

Expenses and procedures

Due to a computer software limitation, customer histories are being deleted from the computer system as soon as a customer is final billed and his account is paid in full. This practice eliminates any practical audit trail of that particular account. Until this practice can be eliminated with new software, account histories should be maintained as long as possible and deleted only after reducing that customer's history to paper.

Expenditures

In a limited number of instances, checks were prepared for the convenience of District employees.

The policy of signing checks only after proper review of documentation must be adhered to.

Capital expenditures

A situation arose during the year where a contractor billed the District for interest charges for late payments on his progress billing. Questions later arose as to the legality of the interest payments.

The District's legal counsel should review any contracts before they become binding.

Other receipts

Due to the limited staff of the District, miscellaneous receipts, damage claims, etc. are easily overlooked. A claim from 1988 has not been collected.

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Board of Commissioners
Caddo Beverage District No. 7
Shreveport, Louisiana

I have audited the financial statements of Caddo Beverage District No. 7, Shreveport, a component unit of Caddo Parish, Louisiana, for the year ended December 31, 1996 and have issued my report thereon dated March 18, 1997. I have also audited the compliance of Caddo Beverage District No. 7, Shreveport, Louisiana, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated March 18, 1997.

I conducted my audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-138, "Audits of State and Local Governments." These standards and OMB Circular A-138 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, and whether Caddo Beverage District No. 7, complied with laws and regulations, noncompliance with which could be material to a major federal financial assistance program.

In planning and performing my audits for the year ended December 31, 1996, I considered the internal control structure of Caddo Beverage District No. 7, Shreveport, Louisiana, in order to determine my auditing procedure for the purpose of expressing my opinion on the financial statements of Caddo Beverage District No. 7, Shreveport, Louisiana, and on the compliance of Caddo Beverage District No. 7, Shreveport, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-138. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Federal financial assistance programs.

The management of Caddo Beverage District No. 7, Shreveport, Louisiana, 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

internal financial assistance 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, 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, and that Federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering Federal financial assistance programs in the following categories:

Control categories for which my study was extended beyond the preliminary review phase: Cash, revenue and receivables, government debts, expenditures for goods and services and amounts payable, payroll and related liabilities, property, equipment and capital expenditures, and debt and debt service expenditures.

Control categories for which my study was limited to a preliminary review: Political activity, civil rights, anti-management, Federal financial reports, alternative contractual principles, Drug-Free Workplace Act and administrative requirements.

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of Code of Federal Regulations Title 49, Department, Louisiana, major Federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions include matters coming to my attention relating

to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect Caddo Sewerage District No. 7, Shreveport, Louisiana, ability to administer federal financial statements programs in accordance with applicable laws and regulations.

Internal Accounting and Administrative Controls
Integration of Duties

Due to the District being limited to one person involved in the operation of the office, most of those aspects of internal accounting control which rely upon an adequate segregation of duties are for all practical purposes, missing in your system. I recognize that the District's administration is not large enough to make the employment of additional persons for the purpose of segregating duties practicable from a cost benefit standpoint; but I am required, under my professional responsibilities, to call the situation to your attention.

Business and Retention

Due to a computer software limitation, customer histories are being deleted from the computer system as soon as a customer is final billed and his account is paid in full. This process eliminates any practical audit trail of that particular account. Until this practice can be eliminated with new software, account histories should be maintained as long as possible and deleted only after reducing that customer's history to paper.

Expenditures

In a limited number of instances, checks were prepared for the convenience of District employees.

The policy of signing checks only after proper review of documentation must be adhered to.

General Administration

A situation arose during the year where a customer billed the District for interest charges for late payments on his progress billing. Questions later arose as to the legality of the interest payments.

The District's legal counsel should review any contracts before they become binding.

Other Receipts

Due to the limited staff of the District, miscellaneous receipts, damage claims, etc., are usually overlooked. A claim from 1995 has not been collected.

Board members should be made aware of any potential claims and their progress at monthly meetings.

In addition, claims should be set up in the general ledger so that they can be monitored.

General ledger reconciliations

Substantial adjustments were required at year-end to the District's financial statements.

Accurate internal financial accounting is necessary for management and the Board to evaluate financial performance and budget variances.

Control of Prior Year Journals

The segregation of duties problem still exists but the District is attempting to mitigate those with bank reconciliations being prepared and returned items being controlled independently of its office.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

By consideration of the internal control structure policies and procedures used in administering Federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

Receipts and reconciliations

Reconciliation of the general ledger control account for Customer Revenues to the detail in the computer, currently is not being performed. This reconciliation is necessary to control the customer receipts on customer programs. This reconciliation should be performed by the outside accounting service with cooperation of District employees.

This report is intended for the information of the Board of Commissioners, management, and the Federal Home Administration. However, this report is a matter of public record and its distribution is not limited.



Richard S. McCallister
March 18, 1991

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
STATE OF LA WITH STATE FINANCIAL STATISTICS
REQUIRED BY GOVERNMENT LITIGANT
WILLIAM SIMMONS

The Board of Commissioners
Caddo Sewerage District No. 7
Shreveport, Louisiana

I have audited the financial statements of the Caddo Sewerage District No. 7 Shreveport, a component unit of Caddo Parish, Louisiana, as of and for the year ended December 31, 1998, and have issued my report thereon dated March 19, 1999.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller of the United States. These standards require that I 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 Caddo Sewerage District No. 7, Shreveport, Louisiana, is the responsibility of Caddo Sewerage District No. 7, Shreveport, Louisiana management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Caddo Sewerage District No. 7 compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of the Board of Commissioners, management, and the Federal Home Administration. However, this report is a matter of public record and its distribution is not limited.

Richard C. McCallister

Richard C. McCallister
March 19, 1999

11. Payments to Commissioners

The following is a schedule of commissioners of the District and amounts paid them per diem for the year ended December 31, 1988:

<u>Commissioner</u>	<u>Per Diem</u>	<u>Term Expiration</u>
David Roberts	800.00	Resigned
George Wilson	800.00	11-3-1988
Billy Deering	750.00	11-3-1988
Calvin E. Millender	800.00	11-3-1988
Catherine E. Hall	800.00	11-3-1988
Kenneth W. Ford	180.00	11-3-1987

Total	4,140.00	

12. Statement of Cash Flows

Reconciliation of operating income to net cash provided by operating activities:

	<u>1988</u>	<u>1987</u>
Operating income.....	162,186	292,912
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation.....	137,192	154,219
Change in assets and liabilities:		
Accounts receivable.....	48,932	10,588
Prepaid expenses.....	328	(2,409)
Accounts payable.....	(62,047)	317
	-----	-----
Net cash provided by operating activities...	286,738	445,627
	-----	-----

Cash and cash equivalents consist of all cash accounts identified as "cash" under the classifications of current assets and restricted assets. All of these accounts qualify as cash or cash equivalents.

The District made additions to their sewerage systems during 1987 in the amount of \$598,417 which were paid for directly by the CoDe Park Commission and are not included in the Statement of Cash Flow.

13. Risks of Loss

Risks of loss are covered through the acquisition of commercial insurance. The District has incurred only small claims in the past for damages that were substantially covered by insurance.

CANADIAN SAVINGS BANKING CO. LTD.

BALANCE SHEET

DECEMBER 31, 1978 AND 1979

ASSETS	1978	1979
Current assets		
Cash—unrestricted.....	169,888	24,874
Accounts receivable—Note B.....	37,005	84,108
Prepaid expenses.....	3,268	5,445
Total current assets.....	210,161	114,427
Restricted assets		
Cash—Revenue Sinking Fund.....	29,485	24,419
Cash—Revenue Sinking Fund.....	541,566	521,848
Cash—Depreciation and Contingency Fund.....	133,888	119,881
Certificate of deposit—Customer Deposits.....	84,000	84,000
Cash—customer deposits and payable.....	201	814
Cash—All Valorem Tax Collections—Note B.....	29,511	60,243
Cash—NOTE Sinking Fund—Note B.....	39,200	45,895
Cash—Construction Account.....	20,880	7,281
Accounts receivable—All Valorem Tax—Note B.....	22,200	79,821
Accounts receivable—NOTE Construction.....
Total restricted assets.....	845,857	889,406
Property, plant and equipment, at cost—Note 2		
Machinery and equipment.....	13,882	13,881
TELEVISION SYSTEM.....	4,808,474	4,803,408
Land.....	18,000	18,000
Construction in progress.....	18,000	18,000
Less: accumulated depreciation.....	4,888,378	4,885,248
Total property, plant and equipment.....	3,343,328	3,891,614
Other assets		
Deferred income charge—Note B.....	82,881	86,270
Total assets.....	6,413,328	6,489,367

The accompanying notes are an integral part of these financial statements.

Schedule of insurance coverages in effect at December 31, 1996 and 1995 are as follows:

Company	Type	Coverage	Expiration	
			Year	Month
Frontier Ins.	Commercial Liability	500,000	7-31-97	3-31-96
State Farm	Fidelity Bond	500,000	4-30-97	3-31-96
Lloyds of London	Commercial Property	100,000	4-30-97	4-30-96
La. Work. Comp.	Workers Compensation	Unlimited	3-31-97	3-31-96

II. Commitments and Contingencies

In the event the DISTRICT permits with the DWD for any subsequent construction, loans totaling \$14,000 at December 31, 1996 become payable on demand by the DWD.

The District received its water discharge permit from the Louisiana Department of Environmental Quality (DEQ) effective June 24, 1994. The permit set effluent discharge limitations which the current system is unable to meet without modifications. A project will be required to be completed within three years after notification by DEQ that a site specific study is complete, but not later than June 25, 1999. The project's estimated cost is \$2,100,000. At December 31, 1996, there is no provision for funding the mandated improvement.