

2. The establishment and maintenance of a "Revenue Bond Reserve Fund" (the Reserve Fund) with the Fiscal Agent Bank by depositing from Bond proceeds upon delivery of the Bonds, a sum equal to the Reserve Fund Requirement, and by making any further deposits as provided in the Bond resolution so that there will be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement. The money in the Reserve fund shall be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default (except such amounts, if any, as may be payable to the United States of America as a rebate of arbitrage pursuant to Section 148(f) of the Code).

3. The establishment and maintenance of a "Capital Additions and Contingencies Fund" (the Contingencies Fund) to care for additions and improvements, renewals, replacements and emergency repairs or operational costs necessary to properly operate the System. In addition to caring for extensions, additions, improvements, renewals and replacements or emergency operation and maintenance expenditures necessary to properly operate the System, the money in the Contingencies Fund shall be used to pay the principal of and the interest on the bonds, including any additional *pari passu* bonds issued in the manner provided by the Bond Resolution, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund, but the money in the Contingencies Fund shall never be used for the making of extensions, additions, improvements, renewals and replacements to the System if such use of said money will leave in the Contingencies Fund for making emergency repairs or replacements or paying emergency operational costs less than the sum of Ten Thousand Dollars (\$10,000.00). Upon a finding of the Governing Authority that moneys in the Contingencies Fund are not required for the above-stated purposes, of the fund, such moneys may also be used to retire by purchase or call for redemption Outstanding Bonds or outstanding *pari passu* bonds payable from the Net Sewer Revenues (as defined in the Bond Resolution) at prices not exceeding 105% of the face value thereof plus accrued interest, provided such purchase would not leave remaining in the Contingencies Fund less than the amount of Fifty Thousand Dollars (\$50,000.00). If at any time it shall be necessary to use moneys in the Reserve Fund or the Contingencies Fund for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues of the system first thereafter received, not required for the purposes described in the Bond Resolution in being the interest that there shall as nearly as possible be at all times in the Reserve Fund and the Contingencies Fund in amounts specified.

The following is a summary of bond transactions of the District for the fiscal year ended December 31, 1996.

Total Long-Term Debt as 12-31-96	\$65,000
Less Current Portion	<u>30,000</u>
Total Long-Term Debt	<u>\$35,000</u>

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LAKESHORE SUBDIVISION SEWERAGE DISTRICT #2

Orlando David Public Acy
Monroe, Louisiana

AUDIT REPORT

As of and For the Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and/or 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 015 02 2007

Jerrisa Self, CPA
A Professional Accounting Corporation
2000 Commerce Street, Suite C
Monroe, Louisiana 70139
Phone (225) 337-4326 Fax (225) 336-4322

LAKESHORE SUBDIVISION SEWERAGE DISTRICT #1
Component Unit Financial Statements As of and For the Year Ended
December 31, 2006
#01 Supplemental Information Schedule

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lakeshore Subdivision Sewerage District #1
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of Lakeshore Subdivision Sewerage District #1, a component unit of The Ouachita Parish Police Jury, as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lakeshore Subdivision Sewerage District #1 as of December 31, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The financial information listed as supplemental information schedules in the table of contents is presented for purposes of additional analysis, and is not a required part of the financial statements of Lakeshore Subdivision Sewerage District #1. Such information 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.

In accordance with Government Auditing Standards, I have also issued a report dated May 28, 1996, on my consideration of Lakeshore Subdivision Sewerage District #1's internal control structure and a report dated May 28, 1997, on its compliance with laws and regulations.

James M. Selts, CPA
Monroe, Louisiana
May 28, 1997

LAKEHURST (SEWERAGE DISTRICT) DISTRICT #1
 ORANGE PARISH POLICE JURY
 Metairie, Louisiana

PROPRIETARY FUND - ENTERPRISE FUND
 All Fund Types and Account Groups
 Balance Sheet, December 31, 1994

ASSETS			
Current assets:			
Cash		\$	211,173.00
Accounts Receivable			40,573.43
Total Current Assets			<u>251,746.43</u>
Restricted assets:			
Cash			242,555.40
Total Restricted Assets			<u>242,555.40</u>
Property, Plant and Equipment			1,018,504.84
Accumulated Depreciation			<u>(282,497.89)</u>
Net Property, Plant & Equipment			1,036,119.64
Unamortized Bond Discount			4,249.00
TOTAL ASSETS:		\$	<u>1,735,171.00</u>
LIABILITIES AND FUNDS (EQUITY):			
LIABILITIES:			
Current Liabilities (Payable)			
From Current Assets:			11,549.00
Current Portion of Bonds Payable (Payable from restricted assets)		\$	<u>20,000.00</u>
Total Current Liabilities			31,549.00
Long-Term Liabilities			
Due to Louisiana DOTD			68,125.00
Senior Revenue Bonds Payable			<u>825,000.00</u>
Total Long-Term Liabilities			893,125.00
TOTAL LIABILITIES			<u>924,674.00</u>
Fund Equity:			
Restricted Reserves:			
Reserve for Bond Debt			74,987.40
Unreserved			<u>735,601.00</u>
TOTAL FUND EQUITY:			<u>750,588.40</u>
TOTAL LIABILITIES AND FUNDS (EQUITY):		\$	<u>1,735,171.00</u>

The accompanying notes are an integral part of this statement.

**LAKESHORE SERVICE CORPORATION - INDEBTED TO
 CREDITORS - FINANCIAL STATEMENT - FURTHER
 NOTES, CONDITIONS
 PROPRIETARY FUNDS - INTERESTED PARTY**

**Statement of Revenues, Expenses and
 Changes in Retained Earnings
 For the Year Ended December 31, 1992**

OPERATING REVENUES	
Charges for Services	\$ 285,000.00
Other Income	4,011.00
Total Operating Revenues	\$ 289,011.00
OPERATING EXPENSES	
Utilities	\$ 1,000.00
Depreciation Expense	44,000.00
Electric Expense	9,000.00
Insurance	3,000.00
Lab Fees	1,000.00
Legal/Professional	5,000.00
Other Expense	3,000.00
Fueling Expense & Maintenance	1,000.00
Repairs and Maintenance	4,000.00
Supplies & Consumables	15,000.00
Advertising	0.00
Total Operating Expenses	\$ 106,000.00
OPERATING INCOME (Loss)	\$ 183,011.00
NON-OPERATING REVENUES (Expenses)	
Interest Income	\$ 700.00
Interest Expense	(41,000.00)
Real Agent Fee	(200.00)
Total Non-Operating Revenues (Expenses)	\$ (40,500.00)
NET INCOME	\$ 142,511.00
RETAINED EARNINGS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	70,000.00
RETAINED EARNINGS, END OF YEAR	212,511.00

The accompanying notes are an integral part of this statement.

**LAKEHURST SEWERAGE DISTRICT #1
 QUACHITA PARISH POLICE JURY
 Monroe, Louisiana**

**STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 1996**

Cash Flows from Operating Activities	
Net Income from operations	\$ 44,864.21
Adjustments to reconcile net income to net cash	
Depreciation	49,263.00
Changes in assets and liabilities:	
Increase/Decrease in accounts receivable	1,588.00
Increase/Decrease in payables	3,526.00
Net cash flow provided (used) by operating activities	<u>99,241.21</u>
Cash Flows from Capital and Related Financing Activities	
Payment of Long-term debt	<u>(20,000.00)</u>
Bond Discount	285.00
Acquisition and Construction of Capital Assets	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(19,715.00)</u>
Cash Flows from Investing Activities	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>79,526.21</u>
Cash and Cash Equivalents at Beginning of Year	<u>620,108.00</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 700,634.21</u>
INTEREST PAID	41,376.00

The accompanying notes are an integral part of this statement.

44-2000-00

LAKESHORE SUBDIVISION SEWERAGE DISTRICT #1

Notes To The Financial Statements
As of and For the Year Ended December 31, 1996

INTRODUCTION

The Lakeshore Subdivision Sewerage District #1, Monroe, Louisiana, (serving approximately 4000 people) was established by the Ouachita Parish Police Jury in the early 1970's. The District is operated by a board of four commissioners which is appointed by the Ouachita Parish Police Jury. The Commissioners receive no compensation. The District is managed by an independent contractor, hence no payroll. The actual footage for the lines is not known.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Lakeshore Subdivision Sewerage District of Ouachita Parish 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.

B. REPORTING ENTITY

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury has the authority to perform the above three steps, the district was determined to be a component unit of the Gaschira Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Lakeshore Subdivision Sewerage District #1 of Gaschira Parish is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

BA. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues:

Revenues consist of income from users of the sewer line in the district. Billing is done monthly, and the payments are collected and deposited. Interest income is a result of bank accounts bearing interest.

Expenses:

Expenses are reported when the liability occurs. Major expenses are:

Chemicals	2,624
Electricity	15,894
Supplies/Accounting	53,415

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and other money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district 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 district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The district has no investments.

F. RESTRICTED ASSETS

Certain proceeds of the enterprise fund resources are set aside for specific payments and are classified on the balance sheet as restricted assets because their use is limited by applicable requirements. Restricted assets include the "customer deposits" account, which is used to segregate water meter deposits used to pay any outstanding water bills when customers discontinue service.

G. FIXED ASSETS

Fixed assets of the district are valued at historical cost and are included on the balance sheet at the fund, net of accumulated depreciation. Construction period interest is immaterial and is not capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of periods from 5 to 40 years.

H. COMPENSATED ABSENCES

The district does not have a formal leave policy.

I. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the enterprise fund.

J. FUND EQUITY

Contributed Capital

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized.

4. RESTRICTED ASSETS

Sewer System Fund	35,488
Contingency Fund	27,744
Project Fund	36,558
Reserve Fund	93,687
Bond Redemption Fund	1,000
Bond Reserve Fund	<u>20,722</u>
Total	<u>267,585</u>

5. FIXED ASSETS

A summary of fixed assets at December 31, 1990, follows:

Property, Plant & Equipment - December 31, 1989	1,261,663
Additions - 1990	<u>54,861</u>
Total	1,316,524
Less Accumulated Depreciation	<u>282,405</u>
Total	<u>1,034,119</u>

6. LONG-TERM LIABILITIES

On April 1, 1990, Sewer Revenue Bonds, Series 1990, were issued to Lakehurst Sewerage Subdivision District #1. The following are descriptions of the bonds:

Sewer Revenue Bonds	975,000.00
Form	Fully Registered
Date	04/01/90
Denomination	5,000.00
Payment to Trust Co. of Louisiana (See Amort. Sched. - Exhibit D)	
Maturity	30 yrs.
Interest Rate	Varies 4 - 7.75%

The following restrictions apply:

REVENUE BOND SINKING FUNDS (SINKING FUNDS) --

1. Maintain a sufficient amount to pay promptly and fully the principal of and the interest on the bonds as they severally become due and payable by transferring from the Sewer System Fund to the Sinking Fund monthly in advance on or before the 20th day of each month of each year, one sixth (1/6) of the interest on the Bonds falling due on the next Interest Payment Date and One-Twelfth (1/12) of the principal of the Bonds falling due on the next principal payment date, together with such additional proportionate sums as may be required so that sufficient moneys will be available in the Sinking Fund to pay said principal and interest as the same respectively become due.

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

Board of Commissioners
Lakeview Subdivision Sewerage District #1
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of the Lakeview Subdivision Sewerage District #1, Monroe, La., a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 1996, and have issued my report thereon dated May 28, 1997.

I conducted my 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 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 the Lakeview Subdivision Sewerage District #1 is the responsibility of the Lakeview Subdivision Sewerage District #1's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of their compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose 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 Lakeview Subdivision Sewerage District #1's management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

Jimmie Self, CPA
Monroe, Louisiana
May 28, 1997

The annual requirements to amortize bonds outstanding at December 31, 1996, is as follows:

Due Apr. 1	Amount	Interest Rate	Price or Yield	Due Apr. 1	Amount	Interest Rate	Price or Yield
1997	24,000.00	5.35	100	2009	55,000.00	7.00	7.10
1998	35,000.00	6.00	100	2010	60,000.00	7.00	7.10
1999	35,000.00	6.00	100	2008	65,000.00	7.00	7.10
2000	40,000.00	6.25	100	2009	70,000.00	7.00	7.10
2001	40,000.00	6.40	100	2010	75,000.00	7.00	7.10
2002	45,000.00	6.60	100	2011	80,000.00	7.00	7.10
2003	45,000.00	6.70	6.75%	2012	85,000.00	7.00	7.10

7. PENSION PLAN

None

8. RELATED PARTY TRANSACTIONS

None

9. ENCUMBRANCE ACCOUNTING IS NOT USED

10. LITIGATION AND CLAIMS

None

11. SUBSEQUENT EVENTS

None

12. OTHER SUPPORT

None

SUPPLEMENTARY INFORMATION

LAKESHORE SUBDIVISION SEWERAGE DISTRICT #1
Monroe, Louisiana

Supplemental Information Schedule
As of and for the year then ended December 31, 1996

COMPENSATION PAID TO BOARD MEMBERS

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

*Schedule of Compensation Paid Board Members as of and for the Year Ended
December 31, 1996*

Wylie Moore 620 McCain Monroe, La. 71203	0.00
Bob Jackson 514 McCain Drive Monroe, La. 71203	0.00
O. C. Hancock 711 Lakeshore Drive Monroe, La. 71203	0.00
George McGuffie 604 McCain Drive Monroe, La. 71203	0.00

JIMMIE SELF, CPA
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Bossier, Louisiana 71504
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Lakeview Subdivision Sewerage District #1
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of the Lakeview Subdivision Sewerage District #1, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1996 and have issued my report thereon dated May 28, 1997.

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

The management of the Lakeview Subdivision Sewerage District #1 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nonetheless 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 my audit of the general purpose financial statements of the Lakeview Subdivision Sewerage District #1 for the year ended December 31, 1996, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My 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 statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Lakeview Subdivision Sewerage District #1's management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

James G. Goff, CPA

Monroe, Louisiana

May 28, 1997

Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

2. CASH AND CASH EQUIVALENTS

At December 31, 1996, the district has cash and cash equivalents (book balances) totaling \$623,858 as follows:

Demand Deposits	371,373
Money Market Accounts	92,667
Interest Bearing Income deposits	170,518
TOTAL	<u>623,858</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These 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, 1996, the district has \$635,863 in deposits (collateral bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$539,494 of pledged securities held by the custodial bank in the name of Central Bank.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 79:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The following is a summary of receivables at December 31, 1996:

Class of Receivable	Current Assets	Total
Accounts Receivable	66,925	66,925

No allowance for bad debts is used since bad debts are offset by utility deposits.