

**BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
Benton, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedule**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and Shreveport offices of the Legislative Auditor and at the office of the parish clerk of court.

November 13, 1998



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
NATION SQUARE, LOUISIANA 70004-0007

THOMAS G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

5400 NORTH TERRACE BLVD.
SUITE 20000, MONROE, LA 70001
TELEPHONE: (225) 335-3000
FACSIMILE: (225) 335-3000

October 18, 1998

**Independent Auditor's Report
on the Financial Statements**

**BOARD OF LEVEE COMMISSIONERS
OF BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
Benton, Louisiana**

We have audited the accompanying general purpose financial statements of the Bossier Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1998, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Bossier Levee District. 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 accompanying general purpose financial statements present fairly, in all material aspects, the financial position of the Bossier Levee District as of June 30, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 18, 1998, on our consideration of the Bossier Levee District's internal control structure and a report dated October 18, 1998, on its compliance with laws and regulations.



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-5107

DANIEL G. KYLO, FLEA, CPA, CFE
LEGISLATIVE AUDITOR

HOWARD T. BIRD, JR., FLEA
FIRST DEPUTY LEGISLATIVE AUDITOR
TELEPHONE: (504) 384-5400
FACSIMILE: (504) 384-5670

October 10, 1995

**Independent Auditor's Report on Compliance With Laws and Regulations
Material to the General Purpose Financial Statements**

**BOARD OF LEVEE COMMISSIONERS
OF BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
Baton, Louisiana**

We have audited the general purpose financial statements of the Bossier Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1995, and have issued our report thereon dated October 10, 1995.

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.

Compliance with laws, regulations, and contracts applicable to the Bossier Levee District is the responsibility of the levee district's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the levee district's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the general purpose 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 herein under Government Auditing Standards.

Our comments on compliance with laws and regulations are intended for the information and use of the levee district and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

Daniel G. Kyo, CPA, CFE
Legislative Auditor

RE:MAN 01

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BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

3. RECEIVABLES

At June 30, 1995, the levee district has receivables totaling \$69,251 as follows:

All waterway taxes	\$58,116
Use of money and property	<u>1,135</u>
Total	<u>\$59,251</u>

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$82,085			\$82,085
Buildings	351,659			351,659
Equipment	400,962	\$94,254	\$57,340	437,876
Total	<u>\$834,706</u>	<u>\$94,254</u>	<u>\$57,340</u>	<u>\$971,620</u>

5. PENSION PLAN

All employees of the levee district are members of the Social Security System. In addition to the employee contribution withheld at 7.65 percent of gross salary, the levee district contributes an additional 7.65 percent of gross salary to the Social Security System. Aggregate pension cost for the year was \$33,652. The levee district does not guarantee the benefits ported by the Social Security System.

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

General long-term obligations consist of mortgage notes payable and compensated absences. The following is a summary of long-term obligation transactions for the year ended June 30, 1996:

**BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

The cost of current leave privileges, computed in accordance with GASB Codification Section 680, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. The liability for accrued annual leave payable at June 30, 1996, computed in accordance with GASB Codification Section 680-105, is estimated to be \$13,917. This amount is recorded in the general long-term obligations account group.

1. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 1996, the levee district has cash and cash equivalents (bank balances) totaling \$2,285,339 as follows:

Interest-bearing demand deposits	\$76,836
Time deposits	<u>2,189,303</u>
Total	<u>\$2,285,339</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the 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 June 30, 1996, the levee district has \$2,275,320 in deposits (collected bank balances). These deposits are secured from risk by \$885,770 of federal deposit insurance (GAASB Risk Category 1) and \$1,425,250 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAASB Risk Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, LSA-RS, 89-1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the levee district that the fiscal agent has failed to pay deposited funds upon demand.

**BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

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

The levee district has one fund (General Fund) that is classified as a governmental fund. The General Fund accounts for the levee district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The General Fund is the general operating fund of the levee district and accounts for all financial resources.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 10 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Rentals, royalties, and leases are recorded in the year earned.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual leave, which is recognized when paid.

**BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 1998**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$648,684	\$650,690	\$2,006
Intergovernmental revenue - state revenue sharing	125,018	131,124	6,106
Use of money and property:			
Rentals income	18,084	12,328	(5,756)
Interest earnings	58,027	113,687	44,660
Other income	18,900	25,595	6,695
Total revenues	<u>771,613</u>	<u>853,292</u>	<u>111,999</u>
EXPENDITURES			
Public works:			
General administrative	195,858	192,745	3,113
Employee related benefits	16,800	15,046	1,754
Travel	15,800	12,040	3,760
Contractual services	75,500	58,470	17,030
Materials and supplies	19,800	18,019	1,781
Professional services	5,108	4,540	568
Levee maintenance	383,464	352,681	30,783
Equipment purchases	180,808	64,254	116,554
Capital outlay	189,187	318,527	(149,340)
Total expenditures	<u>905,425</u>	<u>848,282</u>	<u>145,879</u>
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	<u>(133,792)</u>	<u>105,010</u>	<u>88,788</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>2,221,204</u>	<u>2,352,580</u>	<u>121,376</u>
FUND BALANCE AT END OF YEAR	<u>\$2,187,412</u>	<u>\$2,208,189</u>	<u>\$18,777</u>

The accompanying notes are an integral part of this statement.

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LEGISLATIVE AUDITOR

David G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

**BOSSIER-LEVEE DISTRICT
STATE OF LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

Balance Sheet, June 30, 1995

	GOVERNMENTAL FUND - GENERAL FUND	ACCOUNT GROUPS		TOTAL MEMORANDUM DEBIT
		GENERAL FUNDS - ASSETS	GENERAL LONG-TERM LIABILITIES	
ASSETS AND OTHER DEBITS				
Cash and cash equivalents	\$2,268,500			\$2,268,500
Accounts receivable	\$8,214			\$8,214
Fixed assets		\$864,500		\$864,500
Amount to be provided for retirement of general long term obligations			\$187,500	\$187,500
TOTAL ASSETS AND OTHER DEBITS	\$2,284,960	\$864,500	\$187,500	\$3,336,960
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities				
Accounts, salaries, and withholdings payable	\$26,421			\$26,421
Accrued compensated absences			\$12,817	\$12,817
Notes payable			170,791	170,791
Total liabilities	\$26,421	\$6,048	\$187,500	\$219,969
Equity and Other Credits:				
Investment in general fixed assets		\$864,500		\$864,500
Fund balance - unreserved - undesignated	2,250,530			2,250,530
Total Equity and Other Credits	2,250,530	\$864,500	\$6,048	3,121,078
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$2,284,960	\$864,500	\$187,500	\$3,336,960

The accompanying notes are an integral part of this statement.

LEGISLATIVE AUDITOR

BOARD OF LEVEE COMMISSIONERS
OF BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA

Audit Report, June 30, 1995

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Bossier Levee District. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Daniel D. Kyle, CPA, CFE
Legislative Auditor

RE: MAN/02

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**BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1995

INTRODUCTION

The Bossier Levee District was created by the Louisiana Legislature. The levee district, as defined by Louisiana Revised Statute 38:291(B), includes portions of Bossier and Red River parishes. The levee district primarily provides flood protection for those areas contained in the district. The governing board administers the operations and responsibilities of the levee district in accordance with Louisiana statutes. The levee district's office is located in Benton, Louisiana, and employs 2 administrative personnel and a field staff of 13. The Louisiana Department of Transportation and Development provides certain engineering services to the levee district, and the United States Corps of Engineers serves as an advisory body, as well as periodically inspecting the integrity of the levee system. There are 8 board members appointed by the governor.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance 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 principles and financial reporting standards.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The levee district is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of the Bossier Levee District, a component unit of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

The levee district uses a fund and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a

BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

9. LEVEE DISTRICT TAXES

Article 5, Section 38 of the Louisiana Constitution of 1974 provides that, for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the levee district may annually levy a tax not to exceed five mills. If the levee district needs to raise additional funds, in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by the majority of the vote of the electors. The levee district has levied a tax of 4.54 mills.

LEGISLATIVE AUDITOR

BOARD OF LEVEE COMMISSIONERS
OF BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA

Internal Control Report

October 15, 1999

Page 2

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

Our comments on the internal control structure are intended for the information and use of the levee district and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

RE:MAN-d

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**BOSSIER LEYEE DISTRICT
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1966
With Supplemental Information Schedule**

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BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

Long-term obligations payable at July 1, 1995	\$180,071
Additions	13,708
Retirements	<u>(15,106)</u>
Long-term obligations payable at June 30, 1996	<u>\$178,673</u>

7. LITIGATION AND CLAIMS

At June 30, 1995, the levee district is involved in five lawsuits. In the opinion of the levee district's legal counsel, the ultimate resolution of these lawsuits will not represent a material liability to the levee district.

8. NOTES PAYABLE

In 1990, the Bossier Levee District assumed three long-term installment purchase agreements for the purchase of three houses to satisfy prior claims and judgments. These agreements require scheduled payments on a monthly basis and have interest rates ranging from 8.5 to 10.5 percent. The following is a summary of installment notes payable by the levee district for the year ended June 30, 1995:

Installment notes payable at June 30, 1995	\$178,435
Installment payments during fiscal year ended June 30, 1996	<u>(2,724)</u>
Installment notes payable at June 30, 1996	<u>\$175,711</u>

The following is a summary of future minimum installment payments as of June 30, 1996:

1997	\$19,907
1998	19,907
1999	19,907
2000	19,907
2001	19,907
Plus year beyond 2001	<u>298,400</u>
Total minimum installment payments	389,431
Less - amount representing interest	<u>(214,719)</u>
Total	<u>\$174,711</u>



STATE OF LOUISIANA LEGISLATIVE AUDITOR

Bossier Levee District
State of Louisiana
Bossier, Louisiana

November 13, 1999



Financial and Compliance Audit Division

*Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor*

**BOSNER LEVEE DISTRICT
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1995**

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:306 and are included in the general administrative expenditures of the General Fund. Board members are paid \$75 per day, to a maximum of 36 days per year, for board meetings and official business. The board president, Mr. Timothy Larkin, is paid a monthly salary of \$853 in lieu of per diem during his term in office.

**BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA**

**Schedule of Per Diem Paid Board Members
For the Year Ended June 30, 1996**

	<u>NUMBER</u>	<u>AMOUNT</u>
J. Doug Brown	20	\$1,500
A. Syd Bart, Jr.	25	1,050
James K. Cooley	20	2,175
Paul Johnson	25	2,700
Larry Lott, Sr.	25	1,875
Thomas Taylor	16	1,200
Cecil Welch	14	1,050
		<hr/>
Total		\$12,450
		<hr/>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYOU BOULEVARD, LOUISIANA 70004-9997

DANIEL G. LEVEE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

1600 HERBERT WALKER BLDG
POST OFFICE BOX 94097
TELEPHONE: (504) 386-0800
FACSIMILE: (504) 386-0800

October 18, 1998

**Independent Auditor's Report on Internal Control Structure
Based Solely on an Audit of the General Purpose Financial Statements**

**BOARD OF LEVEE COMMISSIONERS
OF BOSSIER LEVEE DISTRICT
STATE OF LOUISIANA
Benton, Louisiana**

We have audited the general purpose financial statements of the Bossier Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 18, 1998.

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.

Management of the Bossier Levee District 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 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 general purpose financial statements of the Bossier Levee District for the year ended June 30, 1998, 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 to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.