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# ANNUAL FINANCIAL REPORT OF THE NORTH BOSSIER LEVEE DISTRICT

For the

Fiscal Year Ended June 30, 1997

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

OCT 6 1997

Release Date: \_\_\_\_\_

**JAMES T. BATES**  
CERTIFIED PUBLIC ACCOUNTANT

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Bossier City, LA 70111

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**ANNUAL FINANCIAL REPORT**

*of the*

**NORTH BOSSIER LEVEE DISTRICT**

*for the*

**FISCAL YEAR ENDED JUNE 30, 1997**

NORTH BOSSIER LEVY DISTRICT

Annual Financial Report

Fiscal Year Ended June 30, 1997

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*FINANCIAL SECTION*

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*INDEPENDENT AUDITOR'S REPORT*

*FINANCIAL STATEMENTS*

**INDEPENDENT  
AUDITOR'S REPORT**

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*James T. Bates*

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Independent Auditor's Report

To the Members of the Board of Commissioners  
North Bossier Levee District  
Plain Dealing, Louisiana

I have audited the accompanying financial statements of North Bossier Levee District, a component unit of the State of Louisiana, as of June 30, 1987, and for the fiscal years ended June 30, 1987 and 1986. These component unit financial statements are the responsibility of management of the North Bossier Levee District. My responsibility is to express an opinion on these component unit 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 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.

The component unit financial statements have been prepared assuming the entity will continue as a going concern. As discussed in Note 4 to the component unit financial statements, the entity's ability to continue operations is dependent upon the appointment of qualified board members and the receipt of adequate funding to maintain the levee and drainage system. The component unit financial statements do not include any adjustments relating to the future effects that may result from the possible inability of the entity to continue as a going concern.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the North Bossier Levee District, as of June 30, 1987, and the results of its operations for the fiscal years ended June 30, 1987 and 1986, in conformity with generally accepted accounting principles.

*James T. Bates*

September 15, 1987

## ***FINANCIAL STATEMENTS***



## NORTH HOESIER LAWER DISTRICT

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1997

	Governmental Fund Types
	<u>General</u>
ASSETS	
Cash and Cash Equivalents	
Demand Deposits	\$ 6,947
Certificates of Deposit	16,120
Total Assets	<u>\$ 23,067</u>
FUND EQUITY	
Fund Balance	\$ 21,081
Total Fund Equity	<u>\$ 21,081</u>

See accompanying notes to financial statements.



NORTH HAVEN TOWN LEVIED DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 For the Fiscal Years Ended June 30, 1987 and 1986

	<u>General</u>	
	<u>1987</u>	<u>1986</u>
REVENUES:		
Ad Valorem Taxes	\$ 4,692	\$ 4,806
Intergovernmental Revenues:		
State Funds - Revenue Sharing	128	137
Interest	<u>2,288</u>	<u>1,085</u>
Total Revenues	<u>6,981</u>	<u>6,028</u>
EXPENDITURES:		
General Administration	1,190	2,526
Repairs and Maintenance	-0-	-0-
Board Members' Compensation	400	400
Travel	<u>-0-</u>	<u>125</u>
Total Expenditures	<u>1,590</u>	<u>3,051</u>
Excess of Revenues Over Expenditures	4,491	2,977
Fund Balance at Beginning of Year	<u>28,310</u>	<u>28,381</u>
Fund Balance at End of Year	<u>\$ 32,801</u>	<u>\$ 31,358</u>

See accompanying notes to financial statements.

NORTH BOSTON LEWIS DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET (CASH BASIS) AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEARS ENDED FROM 30, 1987 and 1988

	Budget		Actual		Variance		Budget		Actual		Variance	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
<b>Revenues:</b>												
Ad Valorem Taxes	\$ 5,100	\$ 4,682	\$ 4,682	\$ 4,682	\$ (488)	\$ -	\$ -	\$ 4,000	\$ 4,804			
Intergovernmental Revenues:												
Grants	100	112	112	112	28	-	-	112	112			
Grants - Revenue Sharing	902	1,266	1,266	1,266	368	-	-	1,088	1,088			
Interest												
<b>Total Revenues</b>	<u>\$ 6,102</u>	<u>\$ 6,062</u>	<u>\$ 6,062</u>	<u>\$ 6,062</u>	<u>\$ (460)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,200</u>	<u>\$ 6,004</u>	<u>\$ 4,088</u>	<u>\$ 6,004</u>	
<b>Expenditures:</b>												
General Administration	1,788	1,100	1,100	980	688	-	-	2,528	(2,528)			
Capital Expenditures	2,518	-	-	1,500	1,500	-	-	-	-			
Debt Service	816	408	408	600	600	-	-	428	(408)			
Social Security (Compensation Taxes)	-	-	-	-	-	-	-	128	(128)			
<b>Total Expenditures</b>	<u>\$ 5,122</u>	<u>\$ 1,508</u>	<u>\$ 1,508</u>	<u>\$ 4,680</u>	<u>\$ 4,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,684</u>	<u>\$ (3,684)</u>	<u>\$ (3,684)</u>	<u>\$ (3,684)</u>	
Change of Reserve												
Over Expenditures	-	4,487	4,487	4,487	-	-	-	2,977	2,977			
Fund Balance at Beginning of Year	20,500	20,500	20,500	-	-	-	-	15,524	23,834			
Fund Balance at End of Year	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>	

See accompanying notes to financial statements.

NORTH BOEASIER LEVEE DISTRICT  
NOTE TO FINANCIAL STATEMENTS  
June 30, 1997

**(1) Summary of Significant Accounting Policies -**

The North Boeasier Levee District (the District) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 34:291. The District was created to maintain levees and ditches for flood control for approximately 23,928 acres in Northwest Bossier Parish. The Revised Statutes states that the District is to be governed by a Board of Commissioners consisting of five residents living within the district and to be appointed by the Governor's office. The members serve four year terms or until a replacement is appointed. The current Board has three vacancies and the remaining members have served out of the District after appointment.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The District prepares its financial statement in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statement presents only transactions of the North Boeasier Levee District, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a general purpose financial statement which includes the activity contained in the accompanying financial statement. The general purpose financial statement is issued by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

**(A) Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are  
(Continued)

NORTH BOSKOPPE LEVEE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which operating activities are controlled. The fund presented in the accompanying financial statements is described as follows:

**GOVERNMENTAL FUNDS**

Governmental Funds are those through which most governmental functions of the District are financed. The acquisitions, use, and balances of the District's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. All governmental funds are accounted for on a spending measurement focus; that is, the measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the District's governmental fund type:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**(B) Fixed Assets and Long-Term Liabilities**

The District has elected not to capitalize public domain "infrastructure" property that it owns in the form of levees and ditches. The District does not own any other fixed assets. There are no long-term obligations directly attributable to the District.

**(C) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses as appropriate, are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The records are maintained on the modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures of the General Fund:

(Continued)

## NORTH BOSSIER LEVEE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### 101 Compensated Absences and Pension Plan

The District has no employees, therefore, it does not contribute to a pension plan and does not have a formal vacation or sick leave policy.

#### 102 Bad Debts

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The difference between this method and the establishment of an allowance account would not be material to the financial statements.

#### 103 Budget Enactment

The District adopted its annual budget for the fiscal year ended June 30, 1993 at its April 1, 1988, quarterly meeting after being properly advertised in the official journal and allowing for input from the public.

The District did not prepare an operating budget for the fiscal year ended June 30, 1990.

#### (2) CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certification of deposit of state banks organized under the laws of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

(Over Inaud)

**BOSSIER BOSSIER LEVEE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

The District had cash and cash equivalents totaling \$13,067 at June 30, 1997. Cash and cash equivalents 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 1997 were secured by Federal Deposit Insurance.

**(3) LEVIED TAXES**

The District is authorized by the Louisiana Constitution to levy a maximum of 4.50 mills annually on property within the District for maintenance and operation of the District. The tax is levied by the District on property values assessed by the Bossier Parish Tax Assessor and approved by the State of Louisiana Tax Commission. Total taxable value for the fiscal years ended June 30, 1997 and 1996 was \$360,800 and \$271,740, respectively. The District levied the maximum 4.50 mills plus an additional \$0.25 per acre for each year.

**(4) GOING CONCERN**

The following issues raise questions as to whether the District can continue to operate as a going concern:

(A) After making several inquiries to the Governor's Office and the local Legislative Delegation and their failure to find qualified individuals to serve on the Board, the current Board is of the opinion that they can no longer continue to operate the District in an efficient and effective manner.

(B) The District's current revenue sources does not afford the District the opportunity to do minimal maintenance on the levee or drainage system which currently needs major attention.

**(5) PER DIEM PAID TO BOARD MEMBERS**

The members of the Board receive a per diem of \$50 per board meeting attended, plus reimbursement for any out of pocket expenses incurred while carrying on the business of the District. The board members received the following compensation and were reimbursed for

(Continued)

NORTH HOBBINS LEASE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

travel and telephone expenses on District business and out of pocket expenses for the district as follows:

	For the Fiscal Years Ended		
	1937	1936	Travel & Exp. Reimbursement
	Board Exp. Disc	Board Exp. Disc	
R. Milton Pittman	\$ 0-	\$ 100	\$ 125
Bernie J. Rich	100	150	
Leavy Nugent	<u>300</u>	<u>250</u>	<u>        </u>
	\$ <u>400</u>	\$ <u>400</u>	\$ <u>125</u>

***OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND OFFICE OF MANAGEMENT AND  
BUDGET CIRCULAR A-128***

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# James T. Bates

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN ASSESSMENT OF A COMPONENT UNIT OR OF  
BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Members of the Board of Commissioners  
North Bossier Levee District  
Plain Dealing, Louisiana

I have audited the component unit financial statements of North Bossier Levee District, as of June 30, 1997, and for the fiscal years ended June 30, 1997 and 1996, and have issued my report thereon dated September 15, 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 component unit financial statements are free of material misstatement.

The management of North 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 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, 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 component unit financial statements of North Worcester Levee District, for the two years ended June 30, 1997, 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 component unit 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 accounts 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. 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 management, and applicable federal and state agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



September 16, 1997

*James T. Bates*

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN ASPECT  
OF A COMPONENT UNIT OR OF BASIC FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Commissioners  
North Bossier Levee District  
Plain Dealing, Louisiana

I have audited the component unit financial statements of the North Bossier Levee District, as of June 30, 1997, and for the fiscal years ended June 30, 1997 and 1996, and have issued my report thereon dated September 15, 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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the North Bossier Levee District, is the responsibility of North Bossier Levee District's management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However my objective 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 of compliance disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards.

The District is in violation of Louisiana Budget Law - LA-R.S. 39:1301 through 39:1304 for the year ended June 30, 1996.

I considered this instance of noncompliance in forming my opinion on whether North Bossier Levee District's June 30, 1997 component unit financial statements are presented fairly, in all

material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated September 15, 1997 on these company's unit financial statements.

This report is intended for the information of management, and applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

*Jim F. Ritt*

September 15, 1997