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MACHIBODIES LEVEE AND DRAINAGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 1968

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

Release Date... 8-15-0 1968

Wahkiakum County and Drainage District

TABLE OF CONTENTS

	Exhibit	Page
Independent Auditor's Report	—	i-2
General Purpose Financial Statements <u>(Combined Statements-Continued)</u>		
Combined Balance Sheet-Fund Type and Account Group	A	4
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (GAAP Basis) and Actual- Governmental Fund Type-General Fund	B	5
Notes to Financial Statements	—	6-13
Financial Schedules of the Individual <u>Fund and Account Groups</u>		
General Fund		
Balance Sheet	C-1	16
Schedule of Revenues-Budget (GAAP Basis) and Actual	C-2	17
Schedule of Expenditures-Budget (GAAP Basis) and Actual	C-3	18
General Fixed Assets Account Group		
Schedule of General Fixed Assets	D-1	20
Schedule of Changes in General Fixed Assets	D-2	21
General Long-Term Debt Account Group		
Schedule of General Long-Term Debt	E-1	23
Schedule of Changes in General Long-Term Debt	E-2	24
Internal Control and Compliance		
Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	F	26-27

Northwestern Lewis and Drainage District

TABLE OF CONTENTS

	Page	Page
<u>Supplementary Information</u>		
Schedule of Per Diem Paid to Board Members	13	29
Schedule of State Funding	14	34
Schedule of Expenditures by Object	1	31

Johnson, Thomas & Cunningham

Chartered Public Accountants

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INTERIMINARY AUDITORY REPORT

To the Board of Commissioners
of the Marshkedon Levee
and Drainage District

We have audited the accompanying general purpose financial statements of the Marshkedon Levee and Drainage District, Marshkedon, Louisiana, a component unit of the State of Louisiana, as of June 30, 1978, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Levee District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in *Governments Auditing Standards*, issued by the U. S. General Accounting Office and the Louisiana Governmental Audit Guide. These 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 also 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 general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Marshkedon Levee and Drainage District, Marshkedon, Louisiana, as of June 30, 1978, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

This audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" and "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Marshkedon Levee and Drainage District. Such information has been subjected to the auditing 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 such financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Manchacouba Levee and Drainage District.

In accordance with Government Auditing Standards, we have also issued a report dated September 15, 1998, on our examination of the Manchacouba Levee and Drainage District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Patricia Thomas Cunningham, CPA

September 15, 1998
Manchacouba, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Natchitoches Lower and Drainage District

Combined Balance Sheet-Fund Type and Account Group
June 30, 1995

	Governmental	Account Groups		Totals	
	Fund Type	General	General	(Memorandum Only)	
	General	Fixed	Long-Term	June 30,	June 30,
	Fund	Assets	Debt	1995	1994
Assets					
Cash	\$126,864	\$ 0	\$ 0	\$126,864	\$174,361
Time Deposits	300,000	0	0	300,000	300,000
Interest Receivable	781	0	0	781	984
Revenue Receivables	18,577	0	0	18,577	0
Other Assets	785	0	0	785	785
Equipment	0	377,174	0	377,174	490,174
Amount Available					
for Debt Retirement	_____0	_____0	_____0	89,586	118,023
Total Assets	\$616,097	\$377,174	\$_____0	\$913,391	\$983,321
Liabilities and Fund Equity					
Liabilities					
Accounts Payable	\$ 35,797	\$ 0	\$ 0	\$ 35,797	\$ 9,093
Lease Payable	_____0	_____0	89,586	89,586	118,023
Total Liabilities	\$ 35,797	\$_____0	\$89,586	\$125,383	\$127,116
Fund Equity					
Investment in General Fixed Assets	\$ 0	\$377,174	\$ 0	\$377,174	\$490,174
Fund Balance					
Reserved for Debt Service	89,586	0	0	89,586	118,023
Unreserved Undesignated	521,634	_____0	_____0	521,634	248,912
Total Fund Equity	\$611,220	\$377,174	\$_____0	\$988,804	\$867,089
Total Liabilities and Fund Equity	\$646,997	\$377,174	\$89,586	\$913,391	\$983,321

See notes to financial statements.

Mechanicsville Lane and Drainage District

Governmental Fund Type-General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Amounts from Year Ended June 30, 1997

	1998		Variance- Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
REVENUES:				
Taxes	\$210,554	\$199,679	\$ 26,125	\$ 238,445
Intergovernmental	37,100	189,788	122,677	38,548
Miscellaneous	7,525	34,738	27,413	13,876
Total Revenues	\$255,179	\$424,195	\$ 186,215	\$ 278,569
EXPENDITURES:				
Current-				
General Government	\$ 34,299	\$ 33,862	\$ 1,637	\$ 32,768
Public Works	216,881	342,739	(125,849)	345,258
Debt Service	16,899	34,518	(37,318)	5,382
Total Expenditures	\$268,079	\$411,119	\$111,020	\$ 383,409
Excess (Deficiency) of Revenues Over Expenditures	\$ 87,100	\$ 113,076	\$ 44,285	\$ (105,460)
OTHER FINANCING SOURCES:				
Loan Proceeds	87,100	87,100	87,100	123,125
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$ 87,100	\$ 113,076	\$ 44,285	\$ 17,715
Fund Balance-Beginning of Year	366,935	366,935	87,100	349,220
Fund Balance-End of Year	\$266,935	\$480,011	\$ 87,100	\$ 366,935

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1998

INTRODUCTION:

The Natchitoches Levee and Drainage District was formed by House Bill No. 333, of the Louisiana Legislature, when the Natchitoches-Cane River Levee and Drainage District, and the Champ-Charree Levee and Drainage District were combined into one District. The District includes most of Natchitoches Parish. The District primarily provides flood protection for those areas contained in the District. The governing board of the District administers the operations and responsibilities of the District in accordance with Louisiana Statute. Members of the board are appointed by the Governor.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation:

The accompanying general purpose financial statements of the Natchitoches Levee and Drainage District 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 state, for reporting purposes, the State of Louisiana is the financial reporting entity for all state entities. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 State of Louisiana for financial reporting purposes. The basic criteria 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 State of Louisiana 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 State of Louisiana.
2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1998

Because of criteria number one above, the Natchitoches Levee and Drainage District was determined to be a component unit of the State of Louisiana, the reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the State of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the reporting entity.

C. *Fund Accounting:*

The accounts of the district are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Resources are accounted for based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in the accompanying financial statements is described as follows:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources.

D. *Fixed Assets:*

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

The account groups are "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

E. *Long-Term Debt:*

Long-term debt is recognized in the general fund when due. Only that portion expected to be financed from expendable available resources is reported as a liability of the general fund. The remaining portion is reported in the long-term debt account group.

F. *Basis of Accounting:*

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Mandibachan Levee and Drainage District
Notes to Financial Statements
June 30, 1998

The governmental fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as unencumbered assets. All salaries taxes are recognized as revenues in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Interest on investments is considered to be susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting, when the related fund liability is incurred. An exception to this general rule is that principal and interest on general long-term debt is recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

G. Budgetary Practices:

An annual operating budget is adopted by the General Fund. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Assistant Secretary prepares a proposed budget and submits same to the Board of Commissioners;
2. The Board of Commissioners approves the budget, or amends it as necessary;
3. The approved budget is held open for public inspection;
4. Budget appropriations lapse at the end of each year;
5. The budget is prepared based on the modified accrual basis of accounting.

H. Encumbrances:

The Mandibachan Levee and Drainage District does not employ the use of "encumbrance" accounting.

I. 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. Further, the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, in savings accounts or shares of saving and loan associations and savings banks and in share accounts and share certificates accounts of federally or state chartered credit unions.

At June 30, 1998, the District has cash and cash equivalents totaling \$428,884. 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.

Northshore Levee and Drainage District
Notes to Financial Statements
June 30, 1998

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 District. The deposits at June 30, 1998, were accounted as follows:

	Cash	Certificate of Deposit	Total
Carrying Amount on Balance Sheet	\$126,861	\$200,000	\$326,861
Bank Balances:			
a) Insured by FDIC as calls received with securities held by the District in the District's name	\$126,878	\$200,000	\$326,878
b) Unconditional	_____	_____	_____
Total Bank Balances	\$126,878	\$200,000	\$326,878

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advance 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.

J. Unpaid Accumulated Vacation and Sick Pay:

The District's employees accrue annual and sick leave at varying rates as established by State regulations. Upon resignation or retirement, unused leave up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits. The District does not record unpaid accumulated vacation or sick pay.

K. Comparative Data:

Comparative total data for the prior year had been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements overly complex and difficult to read.

Natchitoches Levy and Drainage District
Notes to Financial Statements
June 30, 1998

L. Total Columns on Combined Statements-Overview:

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Fund Equity:

Reserves of fund balances represent those portions of fund equity not appropriate for expenditures. The District has reserved a portion of its fund balance for future lease payments.

N. AD VALOREM TAXES:

The District is empowered to levy property tax millages to finance its general operations. The District levies taxes on real and business personal property located within the boundaries of Natchitoches Parish, Louisiana. Property taxes are levied by the District based on property values assessed by the Natchitoches Parish Tax Assessor, and approved by the State of Louisiana Tax Commission.

The Natchitoches Parish Sheriff's Office bills and collects property taxes for the District. Collections are remitted to the District monthly.

Property Tax Calendar

Assessment Date	January 1
Levy Date	June 30
Tax Bills Mailed	October 15
Total Taxes due Due	December 31
Penalties and Interest Added	January 31
Liens Date	January 31
Tax Sale	May 15

The property taxes collected this fiscal year were levied on property with an assessed value of \$78,558,790. Louisiana law exempts the first \$3,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$12,576,280 for 1998.

For the year ended June 30, 1998, the District levied taxes at the following rates:

- A. A levy of 4.22 mills on all assessments within the jurisdiction boundary of the District;
- B. A levy of five cents per acre on all acreage within the area;
- C. A levy of \$100 per mile on all railroad tracks within the District;

Metairie Sewer and Drainage District
Notes to Financial Statements
June 30, 1998

15. A levy of \$50 per mile on all pipelines located within the District.

Total property tax revenues for the District for the year ended June 30, 1998, were \$249,678, and for the year ended June 30, 1993, revenues were \$226,445.

The following are the 8 principal taxpayers in the District's jurisdiction.

South Central Bell
 Valley Electric
 Trans Louisiana
 Union Pacific Railroad
 City Bank & Trust Company
 Wal-Mart
 Cox-Ages Postbox
 Exchange Bank & Trust Company

3. CHANGES IN GENERAL FINER ASSETS:

A summary of changes in general fixed assets follows:

	Beginning Balance 7-1-97	Additions	Deletions	Ending Balance 6-30-98
Equipment	\$480,079	\$_____0	\$112,089	\$367,990

4. RETIREMENT COMMITMENTS:

Substantially all employees of the Levee District are members of the Louisiana State Retirement System, a multiple-employer (joint-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All permanent employees working at least 28 hours per week who are paid wholly or in part from District funds are eligible to participate in the System. Employees who retire at or after age 58 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Mitchibochon Levee and Drainage District
Notes to Financial Statements
June 30, 1998

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Retirement Systems in Baton Rouge.

Funding Policy: Members are required by state statute to contribute 3.5 percent of their annual covered salary and the Mitchibochon Levee District is required to contribute at an actuarially determined rate. The current rate is 18 percent of annual covered payroll. The contribution requirements of plan members and the Mitchibochon Levee District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Mitchibochon Levee District's contributions to the System for the years ending June 30, 1996, 1997, and 1998 were \$11,541, \$13,936, and \$11,723, respectively, equal to the required contribution for each year.

8. LEASES:

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. The District has one capital lease as June 30, 1998, for the purchase of an excavator. The original purchase price and lease amount was \$133,171. The lease is paid to EDC Financial, Inc. The lease calls for 48 payments of \$2,852, with an interest rate of 5.50%. The following is a schedule of lease payments for future years:

Year ended June 30-	Interest	Principal	Total
1999	\$4,777	\$20,601	\$25,378
2000	3,483	21,736	25,219
2001	2,312	22,818	25,130
Total	\$10,572	\$65,155	\$75,727

**FINANCIAL SCHEDULES OF THE INDIVIDUAL FUND
AND TRUST ACCOUNT GROUP**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Nashua-Rochester Levee and Drainage District
General Fund
Balance Sheets
June 30, 1998 and 1997

	June 30, 1998	June 30, 1997
<u>Assets</u>		
Cash	\$126,864	\$174,361
Time Deposits	280,000	200,000
Interest Receivable	781	984
Revenue Receivables	15,277	0
Utility Deposit	65	61
Stock-Valley Farmers Co-op	308	388
Total Assets	<u>\$448,895</u>	<u>\$376,000</u>
<u>Liabilities and Fund Balance</u>		
Liabilities-		
Accounts Payable	\$ 32,267	\$ 3,000
Fund Balance-		
Reserved for Debt Service	\$ 89,396	\$118,000
Unreserved-Unassigned	321,634	248,900
Total Liabilities and Fund Balance	<u>\$448,893</u>	<u>\$376,000</u>

See notes to financial statements.

Neighborhood League and Drainage District
General Fund
Schedule of Revenue-Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Amounts from Year Ended June 30, 1997

	1998		Variance- Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
REVENUES:				
Taxes- Ad Valorem	\$273,354	\$249,679	\$ 23,675	\$228,445
Intergovernmental- State Revenue Sharing	37,300	37,300	0	34,548
Department of Transportation	0	132,677	132,677	0
Miscellaneous- Interest	1,000	11,096	4,873	11,096
Other Revenues	____0	23,548	23,548	____1,180
Total Revenues	\$311,654	\$454,290	\$142,636	\$273,269

See notes to financial statements.

Northwest Lane and Drainage District
General Fund
Schedule of Expenditures-Budget (GAAP Basis) and Actual
Year Ended June 30, 1998
With Comparative Amounts from Year Ended June 30, 1997

EXPENDITURES	1998			1997 Actual
	Budget	Actual	Variance- Favorable (Unfavorable)	
Current-				
General Government-				
Payroll	\$ 7,120	\$ 5,160	\$ (1,960)	\$ 5,820
Travel	460	541	(75)	460
Office and Supplies	380	411	31	384
Telephone and Utilities	1,600	1,169	431	1,153
Code Publication	1,200	154	1,046	652
Outside Services	20,980	21,403	(423)	21,408
Deals and Miscellaneous	3,180	3,668	(488)	1,852
Total General Government	\$ 34,220	\$ 32,862	\$ 1,358	\$ 32,368
Public Works-				
Salaries	\$117,050	\$111,762	\$ 5,288	\$107,711
Employee Benefits	18,080	19,409	(1,329)	21,388
Supplies	3,580	4,911	(1,331)	3,780
Fuel	7,800	12,048	(4,248)	8,417
Repairs	13,951	28,187	(14,236)	17,121
Outside Services	9,480	9,613	(13)	20,782
Insurance	26,000	31,588	(5,588)	21,090
Miscellaneous	1,600	285	1,315	377
Capital Expenditures	20,000	112,617	(92,617)	144,982
Total Public Works	\$237,581	\$342,220	\$104,639	\$345,258
Debt Service-				
Lease Principal	\$ 11,000	\$ 10,407	\$ 593	\$ 5,152
Interest and Fees	3,000	6,081	(3,081)	251
Total Debt Service	\$ 14,000	\$ 16,488	\$ 2,488	\$ 5,403
Total Expenditures	\$565,801	\$691,510	\$125,709	\$623,029

See notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for general fixed assets used in the General Fund operations.

Manchester Levee and Drainage District
General Fixed Assets Account Group
Schedule of General Fixed Assets
June 30, 1998 and 1997

	June 30, 1998	June 30, 1997
General Fixed Assets-		
Land	\$ 0	\$ 0
Buildings	0	0
Equipment	177,124	680,174
Total General Fixed Assets	<u>\$177,124</u>	<u>\$680,174</u>
Amount in General Fixed Assets	<u>\$177,124</u>	<u>\$680,174</u>

See notes to financial statements.

Nashua Water and Sewerage District
 General Fixed Assets Account Group
 Schedule of Changes in General Fixed Assets
 Year Ended June 30, 1988

	Balance 7-1-87	Additions	Deletions	Balance 6-30-88
General Fixed Assets-				
Land	\$ 0	\$0	\$ 0	\$ 0
Buildings	0	0	0	0
Equipment	898,174	0	(113,800)	784,374
Total General Fixed Assets	\$898,174	\$0	\$(113,800)	\$784,374
Investment in General Fixed Assets	\$898,174	\$0	\$(113,800)	\$784,374

See notes to financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for long-term lease obligations of the District. Monthly lease payments are accounted for in the general fund.

Northchester Town of Drainage District
General Long-Term Debt Account Group

Schedule of General Long-Term Debt
June 30, 1998
With Comparative Totals from June 30, 1997

	Less Payable	Totals	
		6-30-97	6-30-98
Amount Available for Payment of Long-Term Debt	\$82,586	\$82,586	\$118,021
General Long-Term Debt	\$82,586	\$82,586	\$118,021

See notes to financial statements.

Washburne, Lyons & Drainage District
General Long-Term Debt Account Group

Schedule of Changes in General Long-Term Debt
Year Ended June 30, 1998

	Balance 6-30-97	Long-Term Debt Retired	Balance 6-30-98
Amount Available in General Fund	\$1,18,023	\$28,433	\$89,590
General Long-Term Debt Payable	\$1,18,023	\$28,433	\$89,590

See notes to financial statements.

INTERNAL CONTROL AND COMPLIANCE

Johnson, Thomas & Cunningham
Chartered Public Accountants

Exhibit F
Page 26

Kate G. Jones, C.P.A., A Certified Public Accountant

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Wayne R. Cunningham, C.P.A., A Certified Public Accountant

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners of
the Matchless Levee and
Drainage District

We have audited the general purpose financial statements of the Matchless Levee and Drainage District as of and for the year ended June 30, 1998, and have issued our report thereon dated September 15, 1998. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the Matchless Levee and Drainage District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Matchless Levee and Drainage District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

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

Johnson, Thomas & Cunningham, CPAs
Johnson, Thomas & Cunningham, CPAs

September 13, 1998
Natchitoches, Louisiana

SUPPLEMENTARY INFORMATION

Matthiessen Levee and Drainage District
Schedule of Per Diem Paid to Board Members
Year Ended June 30, 1998

Name	Amount
L. M. Carleton, Jr.	\$ 750
Janet Jones	600
Adolph Skiles, Jr.	825
John C. Conner	500
Alfred Browning	600
Billy Gibbons	500
Karlton Mathews	750
Milton McDonald	600
Joseph N. Henry	525
Total	\$7,150

Manitowish Levee and Drainage District
Schedule of State Funding
Year Ended June 30, 1998

Funding Source	Amount
State Revenue Sharing	927,000

Northwestern Lumber and Lumbering District
Schedule of Expenditures by Object
Year Ended June 30, 1998

Object	Amount
Personal Services	\$138,211
Travel	541
Operating Services	82,841
Supplies	17,698
Professional Services	21,433
Other Charges	1,898
Capital Outlay	132,673
Debt Service	<u>34,518</u>
Total Expenditures	\$428,513

There were no expenditures made to contractors for surveys, feasibility studies, or special studies.