

1-11-1999  
500000 01/19/99

# ANNUAL FINANCIAL REPORT OF THE NORTH BOSSIER LEVEE DISTRICT

For the  
Fiscal Year Ended June 30, 1999

James T. Bates  
Certified Public Accountant  
612 Berkeley Blvd.  
Bossier City, LA 70111

Working Date: 9-1-1999

**JAMES T. BATES**  
**CERTIFIED PUBLIC ACCOUNTANT**

612 Berkeley Blvd.  
Bossier City, LA 70111

**ANNUAL FINANCIAL REPORT**

*of the*

**NORTH BOSSIER LEVEE DISTRICT**

*for the*

**FISCAL YEAR ENDED JUNE 30, 1999**

NORTH HOSSIER LEVIER DISTRICT

Annual Financial Report

Fiscal Year Ended June 30, 1999

Table of Contents

<u>FINANCIAL SECTION</u>	Page(s)
INDEPENDENT AUDITOR'S REPORT	1-3
BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DISTRICT (GRAP BASIS) AND ACTUAL - GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6-10
<u>SUPPLEMENTARY INFORMATION</u>	
YEAR 2000 DISCLOSURE	11
<u>OTHER REPORTS</u>	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS	12-13
SUMMARY SCHEDULE OF AUDIT FINDINGS	14

*FINANCIAL SECTION*

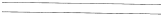
---

---

*INDEPENDENT AUDITOR'S REPORT*

*FINANCIAL STATEMENTS*

***INDEPENDENT  
AUDITOR'S REPORT***



# *James T. Kates*

CERTIFIED PUBLIC ACCOUNTANT  
AND EMERITUS FELLOW OF THE AICPA  
BOSSIER CITY, LOUISIANA 70111

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
338 743-5000  
FACSIMILE 743-5000

## 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, 1988, and for the fiscal years ended June 30, 1989 and 1990. 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 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. 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, 1988, and the results of its operations for the fiscal years ended June 30, 1989 and 1990, in conformity with generally accepted accounting principles.

The year 2000 supplementary information on page 19 is not a required part of the component unit financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with the District does business are or will become year 2000 compliant.

In accordance with Government Auditing Standards, I have also issued a report dated September 15, 1999, on my consideration of the internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

*Jan P. Riden*

September 15, 1999

***FINANCIAL STATEMENTS***





MONTE BOSSIER LEVIER DISTRICT

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1988

	Governmental Fund Type
	<u>General</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	
Demand Deposits	\$ 38,088
Certificates of Deposit	15,715
Total Assets	<u>\$ 53,803</u>
<b>FUND EQUITY</b>	
Fund Balance	\$ 53,803
Total Fund Equity	<u>\$ 53,803</u>

See accompanying notes to financial statements.

NOTICE BOSSIER LEASE DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 For the Fiscal Years Ended June 30, 1989 and 1991

	General	
	1989	1991
Revenues:		
Ad Valorem Taxes	\$ 5,283	\$ 5,273
Intergovernmental Revenues:		
State Funds - Revenue Sharing	38	117
Interest	244	1,154
Total Revenues	<u>5,565</u>	<u>6,544</u>
Expenditures:		
General Administration	849	2,455
Repairs and Maintenance	-0-	2,227
Board Members' Compensation	280	480
Total Expenditures	<u>1,129</u>	<u>5,162</u>
Excess of Revenues over Expenditures	4,436	(2,196)
Fund Balance at Beginning of Year	38,769	33,867
Fund Balance at End of Year	<u>\$ 43,205</u>	<u>\$ 30,162</u>

See accompanying notes to financial statements.

SOUTH BASSSETT DRIVE DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES AND CARRIES  
IN FUND BALANCE - BUDGET (BMAP BASIS) AND ACTUALS - GENERAL FUND  
For the Fiscal Year Ended June 30, 1999 and 1998

	Budget 1998	Actual 1998	Revenue Increase Decrease	Dodge 1998	Actual 1998	Revenue Increase Decrease
<b>Revenues:</b>						
Ad Valorem Taxes	\$ 4,700	\$ 5,389	\$ 699	\$ 4,800	\$ 5,379	\$ 479
Intergovernmental Revenues:						
State Funds - Revenue Sharing	129	28	(87)	0-	117	117
Increase	622	599	(23)	1,180	1,184	54
<b>Total Revenues</b>	<b>5,451</b>	<b>6,016</b>	<b>565</b>	<b>5,980</b>	<b>6,681</b>	<b>664</b>
<b>Expenditures:</b>						
General Administration	1,803	949	854	1,788	2,421	(488)
Repairs and Maintenance	0-	0-	0-	30,000	6,889	26,973
Board members' Compensation	400	350	50	400	400	0-
<b>Total Expenditures</b>	<b>2,203</b>	<b>1,299</b>	<b>904</b>	<b>22,188</b>	<b>9,710</b>	<b>22,522</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,248</b>	<b>4,717</b>	<b>1,469</b>	<b>(16,208)</b>	<b>12,569</b>	<b>21,992</b>
<b>Fund Balance at Beginning of Year</b>	<b>10,382</b>	<b>10,382</b>	<b>0-</b>	<b>33,881</b>	<b>31,667</b>	<b>0-</b>
<b>Fund Balance at End of Year</b>	<b>6,140</b>	<b>6,140</b>	<b>(1,420)</b>	<b>6,453</b>	<b>6,202</b>	<b>6,202</b>

See accompanying notes to financial statements.

**NORTH BOSSIER LEVEE DISTRICT**

**NOTICE TO FINANCIAL STATEMENTS**

**June 30, 1999**

**1.1 Summary of Significant Accounting Policies -**

The North Bossier Levee District (the District) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 18:281. The District was created to maintain levees and ditches for flood control for approximately 11,900 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 moved 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 Bossier 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.

**1(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 BOSTON LEVY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

accounted for with a separate set of self-balancing accounts that comprise the 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 spending 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 acquisition, 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 lawns 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

(Continued)

NORTH BOSSIER LEASE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

Following practices in recording revenues and expenditures of the General Fund:

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.

(D) 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.

(E) 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.

(F) Budget Functions

The District adopted its annual budget for the fiscal years ended June 30, 1998 and 1999 at its quarterly meeting held on September 22, 1998, and April 1, 1999, respectively, after being properly advertised in the official journal and allowing for input from the public.

(G) 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 certificates of deposit of state banks organized under the laws of Louisiana, in savings accounts or

(Continued)

NORTH BOSSIER LEVEE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

The District had cash and cash equivalents totaling \$35,795 on June 30, 1999. 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, 1999 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, 1998 and 1999 was \$362,750 and \$373,440, respectively. The District levied the maximum 4.50 mills plus an additional 50.25 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.

(Continued)

NORTH HOUSTON LEVEE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

18) SEE BEEN 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 travel and telephone expense on District business and out of pocket expenses for the District as follows:

	For the Fiscal Years Ended	
	1999	1998
	Board	Board
	Per Diem	Per Diem
Hennie J. Kich	100	100
Larry Nugent	100	100
	C. 200	C. 200



***SUPPLEMENTAL  
INFORMATION SCHEDULE***

---

---

STATE HOUSE SENATE DISTRICT

YEAR 2000 DISCLOSURE

UNAUDITED

JUNE 16, 1999

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The District does not utilize any electronic equipment in its normal operations, therefore, the year 2000 issue is not applicable. Management of the District has contacted outside vendors for remediation, testing and validation.

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

---

---

*James T. Bates*

CERTIFIED PUBLIC ACCOUNTANT  
AND REGISTERED SOCIAL AUDITOR  
BOSSIER CITY, LOUISIANA 71071

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
(504) 847-5555  
FACSIMILE 847-5555

**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 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, 1999, and for the fiscal years ended June 30, 1999 and 1998, and have issued my report thereon dated September 15, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the North Bossier Levee District financial statements are free of material misstatements, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests of compliance disclosed the following instances 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. 38:3106 through 38:3108 for the year ended June 30, 1999.

I considered this instance of noncompliance in forming my opinion on whether North Bossier Levee District's June 30, 1999 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

date September 15, 1999 on those financial statements.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the North Bossier Lease District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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 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 over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.



September 15, 1999

NORTH DODDER TOWNSHIP DISTRICT  
ANNUAL SCHEDULE OF AUDIT FINDINGS  
JUNE 30, 1999

Corrective Action Plan for Prior Audit Findings

Reference No:	Finding No. 97-1
Description of Finding:	Failure to prepare and adopt a budget for the fiscal year ended June 30, 1998.
Corrective Action Taken:	The Board of Commissioners agreed to meet on a more timely basis and adopt the budget as required.

Corrective Action Plan for Current Year Audit Findings

Reference No:	Finding No. 99-1
Description of Finding:	Failure to prepare and adopt a budget for the fiscal year ended June 30, 1999 prior to the beginning of the fiscal year.
Corrective Action Taken:	The Board of Commissioners agreed to adhere to their quarterly meeting schedule and therefore, will be able to adopt the budget on a more timely basis.