

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

Balance Sheet, June 30, 1990

GOVERNMENTAL FUND :	ACCOUNT GROUPS		TOTAL NON-MONETARY ONLY
	GENERAL FUNDS	GENERAL LONG-TERM ASSETS	
	GENERAL FUND	ASSETS	
ASSETS AND OTHER DEBITS			
Cash and Cash equivalents	\$11,141,760		\$11,141,760
Receivables	28,000		28,000
Fund assets		\$2,300,750	2,300,750
Amount to be provided for retirement of general long-term obligations			28,000
			<u>28,000</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$11,169,760</u>	<u>\$2,300,750</u>	<u>\$13,470,510</u>
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities			
Accounts payable	\$22,100		\$22,100
Salaries and wages payable	10,471		10,471
Deferred revenues	21,400		21,400
Accrued compensated absences			28,000
Total Liabilities	<u>\$54,971</u>	<u>\$0.00</u>	<u>\$81,971</u>
Equity and Other Credits			
Investment in general fund assets		\$2,300,750	2,300,750
Fund balances - preserved - unexpended	11,109,289		11,109,289
Total Equity and Other Credits	<u>11,109,289</u>	<u>2,300,750</u>	<u>13,409,039</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$11,169,990</u>	<u>\$2,300,750</u>	<u>\$13,470,740</u>

The accompanying notes are an integral part of this statement.



OFFICE OF
LEGISLATIVE AUDITOR
 STATE OF LOUISIANA
 BAYON BOULEVARD, LOUISIANA 70884-0007

DAVID G. KYLE, PRES., CPA, CFE
 LEGISLATIVE AUDITOR

NEW ORLEANS (504) 581-1111
 BAYON BOULEVARD, SUITE 2000
 TELEPHONE: (504) 581-1000
 FACSIMILE: (504) 581-0000

October 17, 1995

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

**BOARD OF LEVEE COMMISSIONERS
 OF CADDO LEVEE DISTRICT
 STATE OF LOUISIANA**
 Shreveport, Louisiana

We have audited the general purpose financial statements of the Caddo Levee District as of and for the year ended June 30, 1995, and have issued our report thereon dated October 17, 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 Caddo 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.

This report is intended for the information and use of the levee district. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,


 David G. Kyle, CPA, CFE
 Legislative Auditor

RE MAN:d

10/17/95



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYOU BOULEVARD, LOUISIANA 70804-9300

BRANDON R. KYRIE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

2025 FISCAL YEAR REPORT
POSTED TO THE LEGISLATIVE REPORT
TELEPHONE: (504) 389-6800
FACSIMILE: (504) 389-6879

October 17, 1999

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

**BOARD OF LEVEE COMMISSIONERS
OF CADDO LEVEE DISTRICT
STATE OF LOUISIANA**
Srivereport, Louisiana

We have audited the accompanying general purpose financial statements of the Caddo Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Caddo 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 respects, the financial position of the Caddo Levee District as of June 30, 1999, 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 17, 1999, on our consideration of the Caddo Levee District's internal control structure and a report dated October 17, 1999, on its compliance with laws and regulations.

CADDO LEVEE DISTRICT
STATE OF LOUISIANA

General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1995
With Supplemental Information Schedule

CONTENTS

	Statement	Page No.
Independent Auditor's Report on the Financial Statements		2
General Purpose Financial Statements:		
Balance Sheet - All Fund Types and Account Groups	A	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Governmental Fund - General Fund	B	5
Notes to the Financial Statements		6
	Schedule	Page No.
Supplemental Information Schedule - Schedule of For Cited Paid Bonded Members	1	14
	Exhibit	
Other Reports Required by Government Auditing Standards:		
Report on Internal Control Structure Based Solely on an Audit of the General Purpose Financial Statements	A	
Report on Compliance With Laws and Regulations	B	

GADDO LEVEE DISTRICT
STATE OF LOUISIANA
Shreveport, Louisiana

General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1990
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, 1990

**CADDO LEVEE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1999

INTRODUCTION

The Caddo Levee District was created by the Louisiana Legislature. The levee district includes all of Caddo Parish. 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 Revised Statute 35:291(C). There are seven board members appointed by the governor. The levee district's office is located in Shreveport, Louisiana, and employs 2 administrative personnel and a field staff of 15. 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.

I. 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 Caddo 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 (General 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

**OFFICIAL
BILL COPY**
DO NOT WRITE OVER
Official Information
Not to be Used
Without the Proper
Authority

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Caddo Levee District
State of Louisiana
Shreveport, Louisiana

November 13, 1998



Financial and Compliance Audit Division

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

**CADDO 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, 1995**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
All valuated taxes	\$242,000	\$290,996	\$48,996
Intergovernmental revenue - state revenue sharing	22,000	29,024	7,024
Use of money and property:			
Rental, royalties, bonuses, and licenses	300,000	447,289	147,289
Interest on investments	400,000	600,000	180,000
Other revenues	10,000	60,480	50,480
Total revenues	<u>1,014,000</u>	<u>1,427,789</u>	<u>413,789</u>
EXPENDITURES			
Public works			
General administrative	485,400	528,167	42,767
Employee-related benefits	81,100	63,862	17,238
Travel	20,000	7,875	12,125
Materials and supplies	550,000	124,753	425,247
Equipment purchases	290,000	20,122	269,878
Deductions from all valuated taxes - withholdings system	20,000	0,278	19,722
Leaves maintenance	505,000	272,397	232,603
Capital outlay	0-425,000	58,004	5,380,838
Flood light contingencies	3,000,000		3,000,000
Other	107,000	11,191	95,809
Total expenditures	<u>10,428,500</u>	<u>525,208</u>	<u>9,903,292</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(9,414,500)	902,581	10,005,253
FUND BALANCE AT BEGINNING OF YEAR	10,427,400	10,423,440	3,960
FUND BALANCE AT END OF YEAR	\$1,012,900	\$11,326,021	\$10,313,121

The accompanying notes are an integral part of this statement.



LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Representative Francis G. Thompson, Chairman
Senator Russell C. Bean, Vice Chairman

Senator Robert J. Barham
Senator Wilson E. Fields
Senator Thomas A. Greene
Senator Craig F. Romero
Representative P. Charles McMains, Jr.
Representative Edwin R. Murray
Representative Warren J. Triche, Jr.
Representative David Vitter

LEGISLATIVE AUDITOR

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

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

**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. This 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.

**CADDO LEVEE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The proposed budget for the 1998 fiscal year was made available for public inspection at the levee district's office on May 10, 1998. The proposed budget was prepared on the modified accrual basis of accounting. The budget was published in the official journal 23 days before the public hearing. The budget is legally adopted and amended, as necessary, by the levee district. The levee district does not recognize encumbrances. Therefore, encumbrances are not reflected for budgeting or accounting purposes. All appropriations contained in the budget lapse at year-end.

The \$3,900,000 favorable expenditure variance in the flood light contingency account is the result of anticipated funding for flood emergencies that did not occur. The \$5,300,000 favorable expenditure variance in the capital outlay account is the result of planned construction and improvement projects in which no activity occurred during the year or that were completed for less than the original estimate. Formal budget integration (within the accounting records) is employed as a management control device. The budget practices of the Caddo Levee District are subject to the provisions of Louisiana Revised Statute (LSA-R.S.) 38:318.

F. CASH AND CASH EQUIVALENTS

Cash includes noninterest-bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the Caddo Levee District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the levee district may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. Approximately 47 percent of the value of fixed assets reported herein have been valued at estimated cost.

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

H. COMPENSATED ABSENCES

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The cost of current leave privileges, computed in accordance with GASB Codification Section 050, 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 unused annual leave payable at June 30, 1996, computed in accordance with the GASB Codification Section 050.105, is estimated to be \$39,884. This amount is recorded in the general long-term obligations account group.

I. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (nonnote) 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 (book balances) totaling \$11,141,703 as follows:

Monetary-bearing demand deposits	\$31,098
Money market accounts	393,724
Time deposits	<u>10,800,000</u>
Total	<u>\$11,141,703</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 \$11,137,815 in deposits (collected bank balances). These deposits are secured from risk by \$227,089 of federal deposit insurance and \$10,910,724 of pledged securities held by the

**CADDO LEVEE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

custodial bank in the name of the fiscal agent bank (GAAP Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAP Statement 3, USA-FUS, 30-1229 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.

3. 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	\$1,155,951			\$1,155,951
Building	111,190	8921		112,113
Equipment	1,070,951	26,122	\$17,471	1,082,702
Total	\$2,287,154	\$31,043	\$17,471	\$2,300,726

4. PENSION PLAN

Substantially all employees of the levee district are members of the Louisiana State Employees Retirement System (System), a cost-sharing, multiple-employer public employee retirement system (PERS). The System is a statewide public retirement system which is organized for the purpose of providing retirement and other benefits for employees of the state and its various departments and agencies and their beneficiaries, and is administered and controlled by a separate board of trustees. Contributions of participating state agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All full-time levee district employees are eligible to participate in the System. Benefits vest with 10 years of service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. The System also provides death and disability benefits. Benefits are established by state statute. 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 Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (504) 602-6600.

Covered employees are required by state statute to contribute 7.5 percent of gross salary and the levee district is required to contribute at an actuarially determined rate. The current rate is 12 percent of annual covered payroll. The contribution requirements of plan members and the

**CADDO LEASE DISTRICT
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

lease district are established and may be amended by state statute. As provided by LSA-RS, 11:152, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation from the prior fiscal year. The Caddo Lease District contributions to the System for the years ending June 30, 1995, 1996, and 1994, were \$41,174, \$40,188, and \$39,894, respectively, equal to the required contributions for each year.

**6. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The lease district provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the lease district's employees become eligible for these benefits if they reach normal retirement age while working for the lease district. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the lease district. The lease district recognizes the cost of providing these benefits (lease district portion of premiums) as an expenditure when paid during the year. For the year ended June 30, 1996, the cost of retiree benefits totaled \$12,792.

**6. CHANGES IN GENERAL
LONG-TERM OBLIGATIONS**

General long-term obligations consist entirely of compensated absences. The following is a summary of long-term obligation transactions for the year ended June 30, 1995.

Long-term obligations payable at July 1, 1995	\$39,656
Additions	75,174
Retirements	<u>(14,975)</u>
Long-term obligations payable at June 30, 1996	<u>\$39,854</u>

7. LITIGATION AND CLAIMS

At June 30, 1996, the lease district is involved in one lawsuit. Resolution of this matter should not materially affect the financial statements of the lease district.

8. DEFERRED REVENUE

Deferred revenue of \$22,166, as reflected on Statement A, represents payments received from individuals for surface leases for periods subsequent to June 30, 1996.

CADDO LEVEE DISTRICT
STATE OF LOUISIANA

Notes to the Financial Statements (Continued)

8. LEVEE DISTRICT TAXES

Article 8, Section 29 of the Louisiana Constitution of 1874 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 conditionally, 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 3.21 mills.

**GADSD LEVEE DISTRICT
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1998**

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 Regular Session of the Louisiana Legislature.

Per diem payments are authorized by Louisiana Revised Statute 38:309 and are included in the general administrative expenditures of the General Fund. Board members are paid \$75 per day, to a maximum of 30 days per year, for board meetings and official business.

CADDO LEVEE DISTRICT
STATE OF LOUISIANA

Schedule of Per Diem Paid Board Members
For the Year Ended June 30, 2006

	<u>NUMBER</u>	<u>AMOUNT</u>
James O. Adger	12	\$000
Sam Barwood	19	1,425
Don P. Legier, Jr., President	10	975
Marrell Stansell	6	375
Floyd Washington	10	975
Harold White	27	2,025
Paul Wilson	19	<u>1,425</u>
Total		<u>\$8,100</u>

Legislative Auditor

**BOARD OF LEVEE COMMISSIONERS
OF CALDO LEVEE DISTRICT
STATE OF LOUISIANA**

Internal Control Report

October 17, 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 internal control structure are intended for the information and use of the levee district. 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:dl

10/19/99



DANIEL S. BRILLIANT, CPA, CFE
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYOU ROUGE, LOUISIANA 70004-0001

1400 NINE E. DIBBLE STREET
PORT CHARLES, LOUISIANA
TELEPHONE: (504) 339-0800
FACSIMILE: (504) 339-0700

October 17, 1995

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

**BOARD OF LEVEE COMMISSIONERS
OF CADDO LEVEE DISTRICT
STATE OF LOUISIANA
Shreveport, Louisiana**

We have audited the general purpose financial statements of the Caddo Levee District as of and for the year ended June 30, 1995, and have issued our report thereon dated October 17, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Management of the Caddo 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 Caddo Levee District for the year ended June 30, 1995, 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.

LEGISLATIVE AUDITOR

BOARD OF LEVEE COMMISSIONERS
OF CADDO LEVEE DISTRICT
STATE OF LOUISIANA
Audit Report, June 30, 1996

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 Caddo 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 G. Kyle, CPA, CFE
Legislative Auditor

RE:MAN-d

page 2

CADDO LEVEE DISTRICT
STATE OF LOUISIANA

Notes to the Financial Statements (Continued)

transactions relating to certain government functions or activities. A fund is a separate accounting entity with a 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 the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

All 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 15 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.

Substantially all other revenues are recorded when available.

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.