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STATE OF LOUISIANA  
TENNESSEE BASIN LEVEE DISTRICT  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the audited, 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.

Release Date 06.07.1998

STATE OF LOUISIANA  
TENSAS BASIN LEVEE DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1988

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**ZOE P. MEEKS**  
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To the Board of Commissioners  
Texas Basin Levee District  
Baton Rouge, Louisiana

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying general purpose financial statements of the Texas Basin Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Levee District's management. My responsibility is to express an opinion on these financial statements based on my audit.

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. These standards require that I 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 financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Texas Basin Levee District as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 15, 1998 on my consideration of the Texas Basin Levee District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary schedules in the table of contents is presented for purposes of additional analysis and is a required part of the financial statements of the Texas Basin Levee District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

*Zoe P. Meeks, CPA*  
September 15, 1998

**ZOE F. MEEKS**  
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**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  
Texas Basin Levee District  
Rayville, Louisiana

I have audited the general purpose financial statements of the Texas Basin Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1998 and have issued my report thereon dated September 18, 1998. I conducted my 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Texas Basin Levee District's general purpose financial statements are free of material misstatement, 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 these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Texas Basin Levee District's control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose 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 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. 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 the audit committee, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*John P. Brinkley, CPA*

September 18, 1998

**STATE OF ILLINOIS**  
**TREASURY DEPARTMENT**  
**COMBINED BALANCE SHEET - ALL FUNDS (FY99-00) ACCOUNT GROUPS**  
**2000 06 30 PM**

	GOVERNMENTAL FUNDS TOTAL		PROPERTY FUNDS TOTAL		ACCOUNT GROUPS		TOTAL
	Current Fund	Special Purpose Fund	General Fund	Special Purpose Fund	Current Fund	Special Purpose Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,113,968		\$ 7,488		\$ -	\$ -	\$ 1,121,456
Investment (net)	4,717,478						4,717,478
Amount to be provided for retirement of special bond debt							
Deferred amount of retirement for							
- bonds							
- investments							
- other assets							
Total assets	5,831,446		7,488		\$ -	\$ -	5,838,934
<b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 11,460		\$ 14,488		\$ -	\$ -	25,948
Accounts receivable	14,411						14,411
Deferred amount of retirement for							
- bonds							
- investments							
- other assets							
Total liabilities	25,871		14,488		\$ -	\$ -	40,359
<b>FUND EQUITY</b>							
Investments in general fund assets					1,200,000		1,200,000
Investment in special purpose fund assets							
Fund balance:							
- non-spendable	\$ 5,800,000		-				5,800,000
- restricted	1,000,000						1,000,000
- committed	2,210,000				1,200,000		3,410,000
- unassigned							
- developed							
Total fund equity	8,010,000				1,200,000		9,210,000
Total liabilities and fund equity					\$ 1,200,000		\$ 1,200,000

FINANCIAL A

STATE OF LOUISIANA  
TEXAS BASH LEWIS DISTRICT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 1998

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Taxes	\$1,587,431
Intergovernmental receipts	179,246
Use of money and property	391,644
Sales of obsolete equipment	40,081
Other revenues and reimbursements	<u>658,422</u>
<b>Total revenues</b>	<b><u>2,096,824</u></b>
<b>EXPENDITURES</b>	
Personnel services	891,668
Retired benefits	353,458
Travel	26,198
Supplies	331,594
Operating services	163,583
Professional services	96,749
Deductions from Ad Valorem taxes for:	
Retirement systems	47,134
Capital outlay - equipment & vehicles	338,968
Capital outlay - flood fight	35,000
Acquisition of right of ways	499,732
Emergency expenditures - flood fight	<u>4,420</u>
<b>Total expenditures</b>	<b><u>2,712,924</u></b>
Excess of revenues	
over expenditures	<u>613,900</u>
Other financing sources (uses):	
Intrafund transfers in	-
Interfund transfers out	-
Other	<u>0</u>
<b>Total other financing sources (uses)</b>	<b><u>0</u></b>
Excess of revenues and other sources	
over expenditures and other uses	<u>613,900</u>
Fund balance at beginning of year	<u>8,534,132</u>
Fund balance at end of year	<b><u>\$9,148,032</u></b>

STATEMENT B

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA  
TERRAS BASIN LEVEE DISTRICT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$1,505,000	\$1,587,431	\$22,431
Intergovernmental receipts	178,708	179,286	578
Use of money and property	493,808	561,044	4,844
Other revenues and reimbursements	708,500	728,571	20,071
<b>Total revenues</b>	<b>2,585,216</b>	<b>2,986,332</b>	<b>47,156</b>
<b>EXPENDITURES</b>			
Personnel services	952,500	831,668	118,832
Retired benefits	387,680	367,650	20,030
Travel	34,380	28,058	6,322
Materials and supplies	391,380	331,970	60,410
Operating services	187,620	163,565	24,055
Professional services	186,080	98,749	87,331
Capital outlay & flood control	1,879,080	398,444	1,480,636
Acquisition of right of ways	434,080	428,732	4,348
Other	47,580	47,178	402
<b>Total expenditures</b>	<b>4,405,920</b>	<b>3,712,824</b>	<b>721,096</b>
Excess (deficiency) of revenues over expenditures	(1,820,704)	273,508	1,719,139
Other financing sources (uses)			
Interfund transfers in	-	-	-
Interfund transfers net	-	-	-
Other	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,480,744)	273,508	1,770,139
Fund balance at beginning of year	4,324,132	4,324,132	-
Fund balance at end of year	\$2,843,388	\$5,211,328	\$2,770,139

STATEMENT C

The accompanying notes are an integral part of this statement.



STATE OF LOUISIANA  
 TENNESSEE BASIN LEVEE DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 RETAINED EARNINGS  
 PROPRIETARY FUND TYPE  
 FOR THE YEAR ENDED JUNE 30, 1998

	INTERNAL SERVICE FUND - <u>SELF INSURANCE PLAN</u>
<b>OPERATING REVENUES</b>	
Insurance Premiums	\$815,790
Interest Earned	<u>1,000</u>
Total operating revenues	<u>816,790</u>
<b>OPERATING EXPENSES</b>	
Claims expense - paid	111,778
Claims expense - estimated	<u>3,000</u>
Total operating expenses	<u>114,778</u>
Net income	-
<b>RETAINED EARNINGS, Beginning of Year</b>	<u>0</u>
<b>RETAINED EARNINGS, End of Year</b>	<u>\$ 0</u>

STATEMENT D

The accompanying notes are an integral part of these statements.

STATE OF LOUISIANA  
 TEXAS BASIN LEVEE DISTRICT  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 FOR THE YEAR ENDED JUNE 30, 1998

	<u>INTERVAL SERVICE FUND - SELF INSURANCE PLAN</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Operating Income	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) decrease in receivables	(12,882)
Increase (decrease) in estimated claims liability	3,008
Increase (decrease) in payables	5,351
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(4,523)</b>
<b>OTHER CASH FLOWS</b>	<b>—</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(4,523)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>18,523</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$14,000</u></b>

STATEMENT E

The accompanying notes are an integral part of these statements.

STATE OF LOUISIANA  
TERRAS BASIN LEVEE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1988

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Terras Basin Levee District was created by the Louisiana State Legislature under the provisions of the Louisiana Constitution of 1894; Article 4, Section 24. The levee district includes all or portions of the following parishes: Catahoula, Calibwell, Franklin, Morehouse, Richland, Ouachita, LaSalle and West Carroll. The levee district primarily provides flood protection for these areas contained in the district. The Board of Commissioners administers the operations and responsibilities of the levee district in accordance with the provisions of Louisiana statute. The eleven members of the board of commissioners which governs the District are appointed by the governor of the State of Louisiana.

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 Terras Basin Levee District prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2308 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Terras Basin 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. The general purpose financial statements are issued by the Louisiana Division of Administration-Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

**B. FUND ACCOUNTING**

The accounts of the levee 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 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 those individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

**General Fund**

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

**Internal Service Fund**

The Internal Service Fund is used to account for the financing of a self-insured health insurance plan for the employees and retirees of the Terras Basin Levee District.

STATE OF LOUISIANA  
 TENNESSEE BASIN LEVEE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1988

**ACCOUNT GROUPS**

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

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fund Assets Account Group, rather than in governmental funds. Public domain or infra-structures 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. If not available, asset values are estimated based on similar assets acquired during the approximate time period.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds.

**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:

**Revenues** - Ad valorem taxes and the related State Revenue Sharing (which is based on population and households in the parish) 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 of the current year and January and February of the ensuing year. Interest, lease and royalty revenues are recorded when earned. Substantially all other revenues are recorded when received.

**Expenditures** - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for the accumulated annual lease which is not accrued, but reflected in the General Long-Term Obligations Account Group.

**D. BUDGETARY PRACTICES**

The Tennessee Basin Levee District utilizes the following budgetary practices: The budget of the Tennessee Basin Levee District were prepared and adopted based on the modified accrual basis of accounting for the year ended June 30, 1988 which was also used for financial reporting purposes. The budget is prepared no later than ninety days prior to the end of the fiscal year. The budget was adopted May 13, 1987 for the year ending June 30, 1988. The budget was amended on June 8, 1988. The budget comparison (Statement C) reflects all amendments to the budget for the year. All unexpended appropriations lapse at year end.

STATE OF LOUISIANA  
 TENNESSEE BASIN LEVEE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1998

**E. CASH AND INVESTMENTS**

**1. CASH AND CASH EQUIVALENTS**

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. Under state laws, the Tennessee Basin Levee District may deposit funds within a fiscal agent bank selected and designated the Interior Emergency Board. Further, the Levee District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan institutions and savings banks and in state accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments are considered to be cash equivalents.

As reflected on Statement A, the Tennessee Basin Levee District had cash and cash equivalents totaling \$1,230,864 as June 30, 1998. 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 subledger receipts held by the State Treasurer.

The deposits at June 30, 1998 were secured as follows:

	Demand Deposit Cash	Certificate of Deposit	Total
Reported Amount on Balance Sheet	\$ 1,230,864	\$	\$ 1,230,864
<b>Bank Balances:</b>			
a. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	157,285	-	157,285
b. Collateralized with securities held by pledging financial institution's credit department or agent in the entity's name	1,063,569	-	1,063,569
c. Uncollateralized, including any securities held for the entity but not in the entity's name	-----	-----	-----
<b>TOTAL Bank Balances</b>	<b>\$ 1,230,864</b>	<b>\$</b>	<b>\$ 1,230,864</b>

STATE OF LOUISIANA  
 TENNESSEE BASIN LEVEE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1998

**2. INVESTMENTS**

The Tennessee Basin Levee District does maintain investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the district may invest in United States Bonds, Treasury notes, or certificates.

The Board of Commissioners of the Tennessee Basin Levee District allows investments only in:

- a. U. S. Treasury Obligations (bills, notes and bonds)
- b. U. S. Government Agency Securities and Instrumentalities of Government Sponsored Corporations
- c. Banks' Acceptances
- d. Repurchase Agreements
- e. Certificate of Deposit of commercial banks
- f. Certificate of Deposit of savings and loan associations
- g. Local government investment pool

At June 30, 1998, the Tennessee Basin Levee District had investments in Federal National Mortgage Association REMIC's in the amount of \$3,243,167 and in Federal Home Loan Mortgage Corp. CMO's and REMIC's in the amount of \$2,193,800 and Federal Home Loan Banks and Federal National Mortgage Association notes and debentures in the amount of \$155,800. The investments are carried at fair value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Tennessee Basin Levee District as of June 30, 1998 are summarized below by the category of risk.

**Category 1** - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

**Category 2** - Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.

**Category 3** - Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

STATE OF LOUISIANA  
TENNESSEE BOND LEVY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

Type of Investment	Contract Risk			Reported Amount	Fair Value
	1	2	3		
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -	\$ -
U. S. Government Securities	5,211,870	-	-	5,211,870	5,211,870
Common & Preferred Stock	-	-	-	-	-
Commercial Paper	-	-	-	-	-
Corporate Bonds	-	-	-	-	-
<b>TOTAL</b>	<b>5,211,870</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,211,870</b>	<b>5,211,870</b>

**F. RECEIVABLES**

The following is a summary of receivables at June 30, 1998:

**Class of Receivable**

Ad Valorem Taxes	\$ 5,311
Reimbursements - S. G. Arkansas Levy District	162,893
Reimbursements - U. S. Army Corps of Engineers	190,769
Other	18,182
<b>TOTAL</b>	<b>\$ 447,055</b>

**G. GENERAL FIXED ASSETS**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets accounts group. Public domain or infrastructure are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

A summary of changes in general fixed assets follows:

STATE OF LOUISIANA  
TERRAS BASIN LEVEE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles &amp; Equipment</u>	<u>Total</u>
Balance 7-01-97	\$73,132	\$623,629	\$1,291,750	\$2,988,511
Additions	-	-	383,968	383,968
Deletions	-	-	(129,124)	(129,124)
Balance 6-30-98	<u>\$73,132</u>	<u>\$623,629</u>	<u>\$2,546,594</u>	<u>\$3,243,355</u>

## II. INVENTORIES

Inventory of the district are recorded at cost and recognized as an expenditure when purchased.

## I. LEAVE

Levee District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 360 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes.

The liability for unused annual leave payable at June 30, 1998, computed in accordance with GASB Codification Section 208, is estimated to be \$87,400. This liability has been recorded within the General Long-Term Obligation Account Group.

## I. GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1998:

Long-term obligation payable at July 1, 1997	\$58,628
Additions	4,772
Retirements	(16,002)
Long-term obligations payable at June 30, 1998	<u>\$47,400</u>

The long-term obligations outstanding at June 30, 1998 consist of the liability for unused annual leave as described in Note I.



STATE OF LOUISIANA  
 TEXAS BASIN LEVEE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1998

**K. FUND EQUITY**

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources. Designation of fund equity are used to show the amounts within unreserved equity which are intended to be used for specific purposes, but are not legally restricted. In the General Fund, \$1,951,973 is designated for future expenditures on the Ouachita River Levee Project.

**L. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**M. LEVIED TAXES**

The Texas Basin Levee District has levied an ad valorem tax in all parishes which are included in the districts: Calcasieu, Calumet, Franklin, Morehouse, Richland, Ouachita, LaSalle, and West Carroll. The levy is 2.93 mills which is within the millage of 3.0 which is authorized by state statute.

**N. RETIREMENT BENEFITS**

**Plan Description.** Substantially all employees of the Texas Basin Levee District are members of the Louisiana State Employees' Retirement System (LASERS), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The LASERS provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. Benefits granted by the LASERS are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana State Employees' Retirement, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504) 937-6680.

STATE OF LOUISIANA  
 TENNESSEE BASIN LEVEE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1998

*Funding Policy.* Plan members of this office are required by state statute to contribute 7.5 percent of their annual covered salary and the Tennessee Basin Levee District is required to contribute at an actuarially determined rate. The current employer rate is 13 percent of annual covered payroll. The employer contribution rate was 12.4 percent for the year ended June 30, 1997 and 12 percent for the year ended June 30, 1998. The contribution requirements of plan members and the office are established and may be amended by state statute. As provided by state statute, 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 district's employer contribution to the LASERS for the year ending June 30, 1998 was \$84,518, equal to the required contribution for that year. The district's employer contribution was \$77,408 for the year ended June 30, 1997 and \$71,989 for the year ended June 30, 1996.

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

The Tennessee Basin Levee District currently provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the levee district employees become eligible for those benefits if they reach normal retirement age while working for the levee district. The levee district pays one-half on the premium cost for its retirees and all of the premium cost for its active employees. Those benefits for retirees and similar benefits for active employees are provided primarily through a self-insurance fund which is reinsured by an insurance company. The levee district recognizes the cost of providing the benefits (levee district's portion of premiums) as an expenditure when paid during the year, which was \$215,238 for the year ended June 30, 1998. The levee district's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1998, the cost of retiree benefits totaled \$14,681. As of June 30, 1998, there were 42 active employees and 2 retirees eligible to participate in the plan.

**H. HEALTH CARE PLAN - SELF INSURED**

On February 1, 1980, the Tennessee Basin Levee District instituted a self-insurance plan for the purpose of providing health insurance coverage for its employees and retirees. The plan is funded through premiums paid by the General Fund of the Tennessee Basin Levee District which are deposited in an advance account. The levee district is responsible for a deductible amount of \$10,000 per covered employee per year to be paid out of the advanced funds. Any claims in excess of the \$10,000 deductible are reinsured by an excess insurance policy purchased by the levee district. This policy pays up to \$1,000,000 per person and has a plan limit of \$1,000,000. As of June 30, 1998, the levee district had 43 employees and retirees participating in the plan and a cash reserve balance of \$7,998 for payment of future claims. The plan is accounted for in the Internal Service Fund.

STATE OF LOUISIANA  
TENNESSEE BASIN LEVEE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

**Q. OTHER REVENUES AND REIMBURSEMENTS**

The Tennessee Basin Levee District has an agreement with the Southeast Arkansas Levee District whereby certain levee maintenance expenditures are made by the Tennessee Basin Levee District for the Southeast Arkansas Levee District. The Southeast Arkansas Levee District reimburses the Tennessee Basin Levee District for 100% of the expenditures on a semi-annual basis. In addition to the reimbursements, an administrative fee of 1% of the total reimbursable expenditures is paid by the Southeast Arkansas Levee District. For the year ended June 30, 1998, the reimbursement amounted to \$331,351. Also included in "Other revenues and reimbursements" are amounts reimbursed by the U. S. Army Corps of Engineers for ongoing projects which are sponsored by the Tennessee Basin Levee District. The reimbursement for the year ended June 30, 1998 was \$385,346.

**R. LITIGATION AND CLAIMS**

The levee district was a defendant in litigation as of the date of issuance of this report. The plaintiff in the suit alleges negligence of the Tennessee Basin Levee District in building 300 feet of levee resulting in erosion. The damages claimed are in the to the amount of \$60,000. Although the attorney for the levee district estimated that the district will prevail in the litigation, the district has full coverage insurance to cover the claim.

**S. ENCUMBRANCES**

The levee district does not use encumbrance accounting.

## SUPPLEMENTARY INFORMATION SCHEDULES

STATE OF LOUISIANA  
 TENNESSEE BASIN LEVEE DISTRICT  
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
 FOR THE YEAR ENDED JUNE 30, 1968

Name _____	
H. A. Broughton	\$ 315
Harris Brown	1,058
Jerry B. Peirs	1,375
Jack Kestay	905
Box G. Kerwin	1,405
James P. Mayo	525
Horton Hufkin	300
Yancy Kinnaird	1,405
Horton Nobles	1,325
A. J. Chapman	150
Jimmy Don Hudson	_____
TOTAL	<u>\$9,515</u>

Schedule I

STATE OF LOUISIANA  
TENSAS BASIN LEVEE DISTRICT  
SCHEDULE OF STATE FUNDING  
FOR THE YEAR ENDED JUNE 30, 1998

DESCRIPTION OF FUNDING

State Revenue Sharing

1179,208

Schedule 1

STATE OF LOUISIANA  
TULAS BASIN LEVEE DISTRICT  
CASH BASIS  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 1998

DEPARTMENT: GENERAL FUND

FEDERAL NAME	CASH NUMBER	LOCATION	PROJECT NAME	RECEIPT PASS ID NUMBER	DISTRIBUTION/ EXPLANATION
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TOTAL EXPEND JUNE 30, 1998

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