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RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

STATE OF LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULE

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

9/24/99

Release Date: _____

MCRIFF & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

11817 BRICKSBURG AVE. SUITE E
BATON ROUGE, LOUISIANA

RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT
STATE OF LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULE

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McRight & Associates

Certified Public Accountants
11827 Metairie Road, Suite E
Baton Rouge, LA 70818
(504) 382-0941

Jessica K. McRight, CPA, FSA

L. Carter McRight, CPA, FSA

INDEPENDENT AUDITOR'S REPORT

To the Board of Levee Commissioners
of Red River, Atchafalaya and Bayou
Beouf Levee District
State of Louisiana
Alexandria, Louisiana

We have audited the accompanying general purpose financial statements of the Red River, Atchafalaya and Bayou Beouf District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Red River, Atchafalaya and Bayou Beouf Levee District's management. 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, Government Auditing Standards issued by the Comptroller General of the United States, and the Louisiana Governmental Auditing Guide. Those 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 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 above present fairly, in all material respects, the financial position of the Red River, Atchafalaya and Bayou Beouf Levee District as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 1999 on our consideration of the Red River, Atchafalaya and Bayou Beouf Levee District's internal control over financial reporting and our tests of its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The "schedule" listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Red River, Atchafalaya and Bayou Boeuf levee 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 the financial statements taken as a whole.

Respectfully submitted,



September 22, 1959

**RED RIVER, ATCHAFALAYA AND BAYOU BOQUE LEVEE
DISTRICT
STATE OF LOUISIANA
BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999**

	Governmental Fund Type General Fund	General Fixed Assets	General Long Term Debt	Total Inflow Debit
ASSETS				
Cash & Cash Equivalents	\$2,029,835			\$2,029,835
Advances - Colfax	50,000			50,000
Inventory	21,803			21,803
Fixed Assets		\$2,419,690		2,419,690
Acc to be Provided for Retirement of Long Term Debt			\$53,666	53,666
TOTAL ASSETS	<u>2,101,638</u>	<u>2,419,690</u>	<u>53,666</u>	<u>4,575,094</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 85,430			85,430
Compensated Absences			\$3,666	3,666
TOTAL LIABILITIES	<u>\$ 85,430</u>	<u>\$ -0-</u>	<u>\$ 3,666</u>	<u>\$ 139,096</u>
FUND EQUITY				
Investment in General Fixed Assets		2,419,690		2,419,690
Fund Balance:				
Inventory	21,803			21,803
Unreserved	2,994,408			2,994,408
TOTAL FUND EQUITY	<u>3,016,209</u>	<u>2,419,690</u>	<u>-0-</u>	<u>\$4,435,909</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,181,639</u>	<u>2,439,690</u>	<u>53,666</u>	<u>\$4,675,094</u>

The accompanying notes are an integral part of this statement.

RED RIVER, ATCHAFALAYA AND MAYOT BOUUF LEVEES
DISTRICT
STATE OF LOUISIANA
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	GENERAL FUND 1999
REVENUES	
Ad valorem taxes	\$1,180,248
Intragovernmental revenue - state	
revenue sharing	88,489
Use of money and property	218,237
	1,486,972
EXPENDITURES	
Personnel services	638,809
Administrative and office	277,388
supplies	69,553
Travel	1,608
Capital outlay	75,088
Professional services	17,048
Retirement	48,818
Group insurance	188,698
	1,922,908
Excess of Revenues over Expenditures	<u>564,064</u>
Fund Balance - Beginning	1,840,188
	2,404,252
Fund Balance - Ending	<u>2,968,316</u>

The accompanying notes are an integral part of this statement.

RED RIVER, ATTCHAPALAYA AND BAYOU BONDU LEVEE
DISTRICT
STATE OF LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
BUDGET (GAAP) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Actual	Budget	Variance
REVENUES			
Ad valorem taxes	\$1,180,248	\$1,204,100	\$(23,852)
Intergov't revenue - state revenue sharing	88,487	88,700	213
use of money and property	219,337	130,550	88,787
Total Revenues	<u>1,488,072</u>	<u>1,423,350</u>	<u>64,722</u>
EXPENDITURES			
Personal services	638,609	630,350	(8,259)
Administrative and office supplies	277,384	303,400	26,016
Travel	48,553	70,000	21,447
capital outlay	8,868	6,500	2,368
capital outlay	78,000	123,500	45,500
Professional services	17,040	17,000	40
Retirement	69,810	180,000	110,190
Group Insurance	168,600	172,000	3,400
Total Expenses	<u>1,323,963</u>	<u>1,433,350</u>	<u>110,387</u>
Excess of Rev. over Expend.	174,009		174,009
Fund Balance - Beginning	<u>1,840,199</u>	<u>1,848,199</u>	<u>none</u>
Fund Balance - Ending	<u>2,014,208</u>	<u>1,968,199</u>	<u>146,009</u>

The accompanying notes are an integral part of this statement

**RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE
DISTRICT
STATE OF LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

INTRODUCTION

The Red River, Atchafalaya and Bayou Boeuf Levee District was created by Louisiana Revised Statute (R.S.) 18:293(M). The levee district includes all or portions of Rapides, Natchitoches, and St. Landry parishes. 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 statutes. There are three board members appointed by the governor. The levee district employs two administrative personnel, a field staff of 28, and temporary employees as needed. The Louisiana Department of Transportation and Development provides certain engineering services to the levee district, and the United States Army Corp of Engineers serves as an advisory body, as well as periodically inspecting the integrity of the levee system.

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 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 Red River, Atchafalaya and Bayou Boeuf Levee District, a component unit of the State of Louisiana. Annually, the

**RED RIVER, ATCHAFALAYA AND DAYOU BOUFF LEVEE
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

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 funds 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 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 General Fund uses the modified accrual basis of accounting and the following practices in recording revenues and expenditures:

**RED RIVER, ATCHAFALAYA AND BATON ROUGE LEVEE
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Revenues

Ad valorem taxes and other 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.

Substantially all other revenues are recorded when they become 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.

Other Financing Sources

The proceeds from the sale of assets are accounted for as other financing sources as the underlying event occurs.

B. BUDGET PRACTICES

The proposed budget for the year ended June 30, 1999, was made available for public inspection at the levee district's main office on June 5, 1999. The budget, which included proposed expenditures and the means of financing them for the General Fund, was published in the official journal. The budget is prepared on the modified accrual basis of accounting. All unexpended appropriations lapse at year-end. The Levee District does not recognize encumbrances; therefore, encumbrances are not reflected for budgeting or accounting purposes. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. Formal budget integration (within the accounting records) is not employed as a management control device during the year. Changes of

**RED RIVER, ATCHAFALAYA AND BAYOU SORUE LEVEE
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

amendments within various budget classifications are made upon the approval of the board of commissioners. The budget practices of the Red River, Atchafalaya and Bayou Sorue Levee District are subject to the provisions of R.S. 28:116.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include petty cash, interest-bearing demand deposits, and time deposits. Under state law, the Red River, Atchafalaya and Bayou Sorue Levee District may deposit funds within a financial 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. INVENTORIES

Inventories are valued at the lower of cost or market, which approximates cost. The levee district uses a periodic inventory system and values its inventory using the first-in, first-out (FIFO) valuation method. Inventories in the General Fund are recorded as expenditures at the time of purchase. Year-end balances are offset by a fund balance reserve that indicates this portion of the fund balance does not constitute available spendable resources.

H. 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. No depreciation has been provided on general fixed assets. Buildings and equipment, which represent approximately 88 percent of total fixed assets, are valued at actual historical cost. The majority of land was conveyed to the levee district before January 1, 1990. It represents approximately 17 percent of total fixed assets and is valued at estimated fair market value at date of conveyance. Therefore, the budget is known as a reappropriated budget.

RED RIVER, ATCHAFALAYA AND BAYOU BOULEVARD
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

I. 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 costs of current leave privileges, computed in accordance with GASB Codification Section 618, 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, 1998, computed in accordance with GASB Codification Section 618.105, is estimated to be \$53,888. This amount is recorded in the general long-term obligations account group.

J. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned. Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour for hour compensatory leave. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 1998, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section 610.125 is estimated to be \$3,364. The leave payable is recorded within the general long-term obligations account group.

**RED RIVER, ATTAPULAYA AND BAYOU BOGEUF LEVEE
 DISTRICT
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

K. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) 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.

L. CASH AND CASH EQUIVALENTS

At June 30, 1999, the levee district has cash and cash equivalents book balances totaling \$1,029,835 as follows:

Petty Cash	\$	100
Interest-bearing demand deposits		379,735
Certificates of Deposit		1,190,000
Total		<u>\$1,029,835</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits for 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, 1999, the levee district has \$1,029,835 in deposits collected bank balances. These deposits are secured from risk by \$598,000 of federal deposit insurance (GAAP Risk Category 1) and \$1,750,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Risk Category 1).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAP Statement 3, R.S. 38:322 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.

**RED RIVER, ATCHAFALAYA AND BATON ROUGE LEVEE
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

3. RECEIVABLES

At June 30, 1999, the levee district does not have any receivables.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Reductions	Balance June 30, 1999
Land	\$ 387,686	11,319		\$ 409,015
Buildings	487,183			487,183
Equipment	1,389,721	\$ 53,768		\$ 1,538,492
Total	<u>\$2,264,590</u>	<u>\$ 65,087</u>		<u>\$2,329,677</u>

5. 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. At retirement age, employees are entitled to annual benefits equal to \$100 plus 2.5 percent of their highest consecutive 36-month average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 10 years of service, (b) age 55 with 20 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

**RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 84213, Baton Rouge, Louisiana 70894, or by calling (225) 522-2800.

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 12.8 percent of annual covered payroll. The contribution requirements of plan members and the levee district are established and may be amended by state statute. As provided by R.S. 11:1802, 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 Red River, Atchafalaya and Bayou Boeuf Levee District contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$49,818, \$74,384, and \$74,298, respectively, equal to the required contributions for each year.

6. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The levee district provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the levee district's employees become eligible for these benefits if they reach normal retirement age while working for the levee district. These benefits for retirees and similar benefits for active employees are provided through the Louisiana State Employees Group Benefits Program. Retirees' monthly premiums are paid jointly by the retiree and levee district. Monthly premiums for active employees are paid by the levee district. The levee district recognizes the cost of providing these benefits (levee district's portion of premiums) as an expenditure when paid during the year, which was \$188,428 for the year ended June 30, 1999. The cost of providing these benefits for seven retirees was \$20,423 for the year ended June 30, 1999.

7. LEASE OBLIGATIONS

The Red River, Atchafalaya and Bayou Boeuf Levee District does not have any leases at June 30, 1999.

**RED RIVER, ATCHAFALAYA AND BAYOU BOUQUIE LEVEE
DISTRICT
STATE OF LOUISIANA
NOTED TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 1989**

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations transactions for the year ended June 30, 1989.

Compensated absences payable at July 1, 1988	\$54,466
Deductions	222
	<hr/>
Compensated absences payable at June 30, 1989	\$54,244

9. LITIGATION AND CLAIMS

At June 30, 1989, the levee district is involved in three lawsuits. In the opinion of the levee district's legal counsel, the ultimate resolution of these lawsuits will not represent a material liability to the levee district.

10. LEVEE DISTRICT TAXES

Article 6, Section 28 of the Louisiana Constitution of 1974 provides that, for the purpose of construction 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 constitutionally, the taxes in excess of five mills must be approved by the majority of the vote of the electors. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
District taxes:		
Constitutional	5.00	3.43
Acresage	.35/acre	.25/acre
Rail	\$200/mile	\$60/mile

**RED RIVER, ATCHAFALAYA AND BAYOU BOULEV LEVEE
DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989**

11. ADVANCE TO OTHER GOVERNMENTS

On May 3, 1983, the levee district pledged to contribute \$12,580 annually for a period of six years as one of the local sponsors to the Atchafalaya Area Flood Control Project (State of Louisiana Project Number 878-22-0002). The levee district contributed the first \$12,580 installment on January 18, 1983; the second \$12,580 installment on February 5, 1983; and the third and fourth installments on June 24, 1984. The levee district has not contributed the last two installments of \$12,580 each. The levee district's contributions are held by the Town of Colfax in an interest-bearing escrow account. The Town of Colfax; Grant Parish Police Jury; Rapides Parish Police Jury; Red River, Atchafalaya and Bayou Boeuf Levee District; Louisiana Department of Transportation and Development; and the United States Army Corp of Engineers are the sponsors of the project. According to United States Army Corp of Engineers, the project is underway. As of June 30, 1988, the levee district has advanced \$50,000, which is held in escrow and is recognized as an asset on the accompanying balance sheet, to the Town of Colfax on behalf of the Atchafalaya Area Flood Control Project.

RED RIVER, ATCHAFALAYA AND SAVANNAH RIVER DISTRICT
DISTRICT
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE FISCAL YEAR ENDING JUNE 30, 1989

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal services expenditures of the General Fund. Board members are paid \$75 per day to a maximum of 36 days per year for board meetings and/or official business. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem.

RED RIVER, ATCHAFALAYA AND BASOU BOHEW LEVEE
DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID BOARD MEMBERS
FOR THE FISCAL YEAR ENDING JUNE 30, 1989

<u>NAME</u>	<u>NUMBER OF DAYS/ MEETINGS</u>	<u>AMOUNT</u>
Andrew Leon, President		\$11,235
Jessie Leachery	34	\$ 3,760
Jerry Storum	34	2,825
TOTAL		<u>\$17,820</u>

**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. The 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.

McRicht & Associates

Certified Public Accountants
11827 Lakeshore Blvd., Suite B
Baton Rouge, LA 70815
(225) 383-2241

Joseph E. McRicht, CPA, MBA

L. Owen Wright, CPA, MBA

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

**BOARD OF LEVEE COMMISSIONERS
OF RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT
STATE OF LOUISIANA
Alexandria, Louisiana**

We have audited the general purpose financial statements of Red River, Atchafalaya and Bayou Boeuf Levee District, Alexandria, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Red River, Atchafalaya and Bayou Boeuf Levee District general purpose 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as Finding 2.

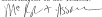
Internal Control Over Financial Reporting

In planning and performing our audit of the general purpose financial statements of Red River, Atchafalaya and Bayou Boeuf Levee District, Alexandria, Louisiana, for the year ended June 30, 1999, we considered its internal control structure 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 structure. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable

conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the lease district's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Finding 1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions, we believe Finding 1 to be a material weakness.

This report is intended for the information of the board of commissioners, management, and legislative auditor's office. However, this report is a matter of public record, and its distribution is not limited.


September 22, 1994

SEN SEVEN, ACHERPALAYA AND SAYDU BOHUF LEVER
DISTRICT
STATE OF LOUISIANA
SCHEDULE OF INTERNAL CONTROL STRUCTURE REPORTABLE CONDITIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Finding 1 - Lack of documentation for payments of cellphone bill for payroll clerk.

Conditions: The former payroll clerk had a cellphone for her use. Upon checking the numbers called, we could not establish that this phone was for Board use, even though the Board paid for the monthly fee for the phone. We could not find any payments made to the Board by the employee for reimbursement of these expenses.

Criteria: All expenses should contain the minimum documentation required by the Internal Revenue Service for proof of business expenses.

Effect: If adequate documentation is not attached to the request for reimbursement, state funds cannot be used for expenditures.

Cause: Expenses are paid without proper documentation attached.

Recommendation: The Board should require that all expenses should have documentation to support the business purpose.

Auditee response: The Board will establish procedures for controlling the use of cellphones to ensure that all personal use is paid for by the employee.

**KED RIVER, ATTAPULAYA AND BAYOU BOEUF LEVEE
DISTRICT
STATE OF LOUISIANA
SCHEDULE OF COMPLIANCE REPORTABLE CONDITIONS FOR THE
FISCAL YEAR ENDED JUNE 30, 1999**

Finding 3 - Student employee paid for Holiday

Condition: A part-time student worker was given Holiday pay for the July 4, 1998 Holiday. Through discussions with the staff, we were able to satisfy ourselves that this was an oversight by the former payroll clerk and that the current payroll clerk knew this is not proper.

Criteria: Student workers are not eligible for Holiday Pay.

Effect: The effect is such that the student worker has been overpaid by the Board.

Cause: The former payroll clerk did not check the regulations for Holiday pay.

Recommendation: All Holiday pay should be checked by the supervisor to ensure that only eligible employees receive such pay.

Auditee response: The staff has been instructed that only full-time employees are eligible for Holiday pay. The supervisor will check to make sure this is carried out.

RED RIVER, ATCHAFALAYA AND BAYOU BOHEP LEVEE
DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL
YEAR ENDED JUNE 30, 1999

The Board's corrective action plan for the findings in the prior audit all have been implemented during the current audit period.

Finding 1 - Inadequate Control of Signature Stamps

The Board has a supervisor looking at checks and invoices and signing the checks.

Finding 2 - Inadequate Segregation of Duties.

The Board has established procedures to offset the lack of segregation of duties.

