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**NATCHITOCHEs LEVEE
AND DRAINAGE DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 1999**

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.

Release Date SEP 22 1999

Natchitoches Levee and Drainage District

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Natchitoches Levee and Drainage District

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Johnson, Thomas & Cunningham

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Natchitoches Levee and Drainage District, Natchitoches, Louisiana, a component unit of the State of Louisiana, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Levee District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

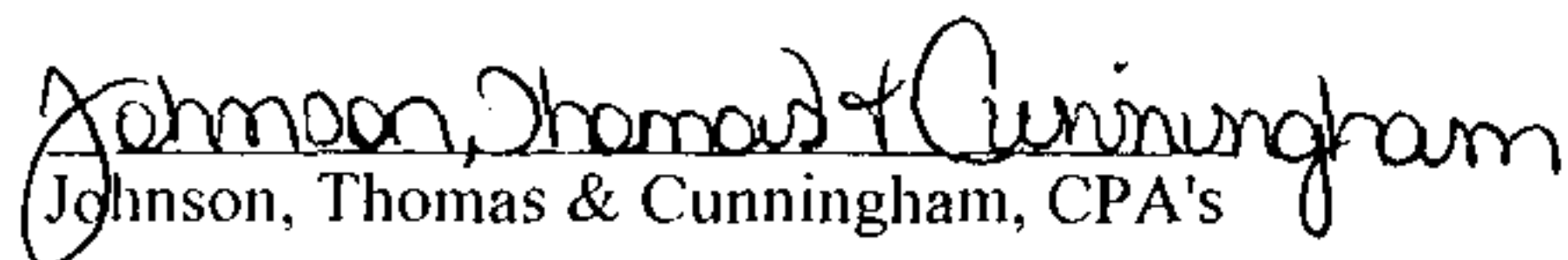
We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the U. S. General Accounting Office and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Natchitoches Levee and Drainage District, Natchitoches, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" and "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Natchitoches Levee and Drainage District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated September 10, 1999, on our consideration of the Natchitoches Levee and Drainage District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Johnson, Thomas & Cunningham, CPA's

September 10, 1999
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Natchitoches Levee and Drainage District

Combined Balance Sheet-Fund Type and Account Groups
June 30, 1999

	Governmental	Account Groups		Totals	
	Fund Type	General	General	(Memorandum Only)	
	General Fund	Fixed Assets	Long-Term Debt	June 30, 1999	June 30, 1998
<u>Assets</u>					
Cash	\$163,362	\$ 0	\$ 0	\$163,362	\$126,864
Time Deposits	248,628	0	0	248,628	300,000
Interest Receivable	1,419	0	0	1,419	781
Revenue Receivables	0	0	0	0	18,577
Other Assets	765	0	0	765	765
Equipment	0	377,174	0	377,174	377,174
Amount Available for Debt Retirement	<u>0</u>	<u>0</u>	<u>59,545</u>	<u>59,545</u>	<u>89,586</u>
Total Assets	<u>\$414,174</u>	<u>\$377,174</u>	<u>\$59,545</u>	<u>\$850,893</u>	<u>\$913,747</u>
<u>Liabilities and Fund Equity</u>					
Liabilities-					
Accounts Payable	\$ 5,351	\$ 0	\$ 0	\$ 5,351	\$ 35,767
Lease Payable	<u>0</u>	<u>0</u>	<u>59,545</u>	<u>59,545</u>	<u>89,586</u>
Total Liabilities	<u>\$ 5,351</u>	<u>\$ 0</u>	<u>\$59,545</u>	<u>\$ 64,896</u>	<u>\$125,353</u>
Fund Equity-					
Investment in General Fixed Assets	\$ 0	\$377,174	\$ 0	\$377,174	\$377,174
Fund Balance-					
Reserved for Debt Service	59,545	0	0	59,545	89,586
Unreserved-Undesignated	<u>349,278</u>	<u>0</u>	<u>0</u>	<u>349,278</u>	<u>321,634</u>
Total Fund Equity	<u>\$408,823</u>	<u>\$377,174</u>	<u>\$ 0</u>	<u>\$785,997</u>	<u>\$788,394</u>
Total Liabilities and Fund Equity	<u>\$414,174</u>	<u>\$377,174</u>	<u>\$59,545</u>	<u>\$850,893</u>	<u>\$913,747</u>

See notes to financial statements.

Natchitoches Levee and Drainage District

Governmental Fund Type-General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
REVENUES:				
Taxes	\$240,000	\$248,971	\$ 8,971	\$249,679
Intergovernmental	176,983	194,402	17,419	169,780
Miscellaneous	<u>7,323</u>	<u>12,604</u>	<u>5,281</u>	<u>34,736</u>
Total Revenues	<u>\$424,306</u>	<u>\$455,977</u>	<u>\$ 31,671</u>	<u>\$454,195</u>
EXPENDITURES:				
Current-				
General Government	\$ 34,299	\$ 34,386	\$ (87)	\$ 32,662
Public Works	353,207	389,770	(36,563)	342,730
Debt Service	<u>36,800</u>	<u>34,218</u>	<u>2,582</u>	<u>34,518</u>
Total Expenditures	<u>\$424,306</u>	<u>\$458,374</u>	<u>\$(34,068)</u>	<u>\$409,910</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (2,397)	\$ (2,397)	\$ 44,285
Fund Balance-Beginning of Year	<u>411,220</u>	<u>411,220</u>	<u>0</u>	<u>366,935</u>
Fund Balance-End of Year	<u>\$411,220</u>	<u>\$408,823</u>	<u>\$(2,397)</u>	<u>\$411,220</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

INTRODUCTION:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation:

The accompanying general purpose financial statements of the Natchitoches Levee and Drainage District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity:

As the governing authority of the state, for reporting purposes, the State of Louisiana is the financial reporting entity for all state entities. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significant of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the State of Louisiana to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State of Louisiana.
2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

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

C. Fund Accounting:

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

General Fund

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

D. Fixed Assets:

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

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

E. Long-Term Debt:

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

F. Basis of Accounting:

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

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

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

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

G. Budgetary Practices:

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

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

H. Encumbrances:

The Natchitoches Levee and Drainage District does not employ the use of "Encumbrance" accounting.

I. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include cash, demand deposits, and certificates of deposit. Under state law, the District may deposit funds within a fiscal agent bank. Further, the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, in savings accounts or shares of saving and loan associations and savings banks and in share accounts and share certificates accounts of federally or state chartered credit unions.

At June 30, 1999, the District has cash and cash equivalents totaling \$411,990. 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.

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at June 30, 1999, were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Carrying Amount on Balance Sheet	<u>\$163,362</u>	<u>\$248,628</u>	<u>\$411,990</u>
Bank Balances-			
a) Insured by FDIC or collateralized with securities held by the District in the District's name	\$163,362	\$248,628	\$411,990
b) Uncollateralized	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total Bank Balances	<u>\$163,362</u>	<u>\$248,628</u>	<u>\$411,990</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

J. Unpaid Accumulated Vacation and Sick Pay:

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

K. Comparative Data:

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

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

L. Total Columns on Combined Statements-Overview:

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

M. Fund Equity:

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

2. AD VALOREM TAXES:

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

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

Property Tax Calendar

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

The property taxes collected this fiscal year were levied on property with an assessed value of \$80,425,620. Louisiana law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$22,632,790 for 1999.

For the year ended June 30, 1999, the District levied taxes at the following rates:

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

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

D. A levy of \$50 per mile on all pipelines located with the District.

Total property tax revenues for the District for the year ended June 30, 1999, were \$248,971, and for the year ended June 30, 1998, revenues were \$249,679.

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

South Central Bell
Valley Electric
Trans La Gas
Union Pacific Railroad
City Bank & Trust Company
Wal-Mart
Con-Agra Poultry
Exchange Bank & Trust Company

3. CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	Beginning Balance <u>7-1-98</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6-30-99</u>
Equipment	\$377,174	\$0	\$0	\$377,174

4. RETIREMENT COMMITMENTS:

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from District funds are eligible to participate in the System. Employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable *monthly for life*, equal to 3 percent of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Natchitoches Levee and Drainage District
Notes to Financial Statements
June 30, 1999

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

Funding Policy. Members are required by state statute to contribute 7.5 percent of their annual covered salary and the Natchitoches Levee District is required to contribute at an actuarially determined rate. The current rate is 10 percent of annual covered payroll. The contribution requirements of plan members and the Natchitoches Levee District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Natchitoches Levee District's contributions to the System for the years ending June 30, 1999, 1998, and 1997 were \$13,516, \$11,541, and \$13,916, respectively, equal to the required contributions for each year.

5. LEASES:

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. The District has one capital lease at June 30, 1999, for the purchase of an excavator. The original purchase price and lease amount was \$123,175. The lease is paid to KDC Financial, Inc. The lease calls for 48 payments of \$2,852, with an interest rate of 5.50%. The following is a schedule of lease payments for future years:

Year ended June 30-	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2000	\$2,483	\$31,735	\$34,218
2001	<u>712</u>	<u>27,810</u>	<u>28,522</u>
Totals	<u>\$3,195</u>	<u>\$59,545</u>	<u>\$62,740</u>

6. YEAR 2000 ISSUE:

The year 2000 issue is a result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Natchitoches Levee and Drainage District uses a service organization for bookkeeping services, and handles checks and deposits manually. The service organization has declared its systems to be year 2000 compliant.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that parties with whom the District does business will be year 2000 compliant.

FINANCIAL SCHEDULES OF THE INDIVIDUAL FUND
AND THE ACCOUNT GROUP

GENERAL FUND

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

Natchitoches Levee and Drainage District
General Fund
Balance Sheets
June 30, 1999 and 1998

	<u>June 30,</u> <u>1999</u>	<u>June 30,</u> <u>1998</u>
<u>Assets</u>		
Cash	\$163,362	\$126,864
Time Deposits	248,628	300,000
Interest Receivable	1,419	781
Revenue Receivables	0	18,577
Utility Deposit	65	65
Stock-Valley Farmer's Co-op	<u>700</u>	<u>700</u>
Total Assets	<u>\$414,174</u>	<u>\$446,987</u>
<u>Liabilities and Fund Balance</u>		
Liabilities-		
Accounts Payable	\$ 5,351	\$ 35,767
Fund Balance-		
Reserved for Debt Service	59,545	89,586
Unreserved-Undesignated	<u>349,278</u>	<u>321,634</u>
Total Liabilities and Fund Balance	<u>\$414,174</u>	<u>\$446,987</u>

See notes to financial statements.

Natchitoches Levee and Drainage District
General Fund
Schedule of Revenues-Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
REVENUES:				
Taxes-				
Ad Valorem	\$240,000	\$248,971	\$ 8,971	\$249,679
Intergovernmental-				
State Revenue Sharing	20,657	38,076	17,419	37,103
Department of Transportation	156,326	156,326	0	132,677
Miscellaneous-				
Interest	7,323	12,438	5,115	12,196
Other Revenues	<u>0</u>	<u>166</u>	<u>166</u>	<u>22,540</u>
Total Revenues	<u>\$424,306</u>	<u>\$455,977</u>	<u>\$31,671</u>	<u>\$454,195</u>

See notes to financial statements.

Natchitoches Levee and Drainage District
General Fund
Schedule of Expenditures-Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	<u>Budget</u>	<u>Actual</u>		
EXPENDITURES:				
Current-				
 General Government-				
Per Diem	\$ 7,333	\$ 7,275	\$ 58	\$ 7,350
Travel	466	1,059	(593)	541
Office and Supplies	500	638	(138)	411
Telephone and Utilities	1,600	1,787	(187)	1,169
Code Publication	1,200	0	1,200	154
Outside Services	20,900	21,585	(685)	21,433
Dues and Miscellaneous	<u>2,300</u>	<u>2,042</u>	<u>258</u>	<u>1,604</u>
Total General Government	<u>\$ 34,299</u>	<u>\$ 34,386</u>	<u>\$ (87)</u>	<u>\$ 32,662</u>
 Public Works-				
Salaries	\$117,050	\$117,732	\$ (682)	\$111,702
Employee Benefits	18,000	21,319	(3,319)	19,459
Supplies	3,500	3,740	(240)	4,931
Fuel	7,800	6,783	1,017	12,348
Repairs	14,931	25,173	(10,242)	20,197
Outside Services	9,600	16,935	(7,335)	9,613
Insurance	25,000	39,663	(14,663)	31,508
Miscellaneous	1,000	2,099	(1,099)	295
Capital Expenditures	<u>156,326</u>	<u>156,326</u>	<u>0</u>	<u>132,677</u>
Total Public Works	<u>\$353,207</u>	<u>\$389,770</u>	<u>\$(36,563)</u>	<u>\$342,730</u>
 Debt Service-				
Lease Principal	\$ 30,000	\$ 30,041	\$ (41)	\$ 28,437
Interest and Fees	<u>6,800</u>	<u>4,177</u>	<u>2,623</u>	<u>6,081</u>
Total Debt Service	<u>\$ 36,800</u>	<u>\$ 34,218</u>	<u>\$ 2,582</u>	<u>\$ 34,518</u>
Total Expenditures	<u>\$424,306</u>	<u>\$458,374</u>	<u>\$(34,068)</u>	<u>\$409,910</u>

See notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

Natchitoches Levee and Drainage District
General Fixed Assets Account Group
Schedule of General Fixed Assets
June 30, 1999 and 1998

	June 30, <u>1999</u>	June 30, <u>1998</u>
General Fixed Assets-		
Land	\$ 0	\$ 0
Buildings	0	0
Equipment	<u>377,174</u>	<u>377,174</u>
Total General Fixed Assets	<u>\$377,174</u>	<u>\$377,174</u>
Investment in General Fixed Assets	<u>\$377,174</u>	<u>\$377,174</u>

See notes to financial statements.

Natchitoches Levee and Drainage District
General Fixed Assets Account Group
Schedule of Changes in General Fixed Assets
Year Ended June 30, 1999

	<u>Balance</u> <u>7-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-99</u>
General Fixed Assets-				
Land	\$ 0	\$0	\$0	\$ 0
Buildings	0	0	0	0
Equipment	<u>377,174</u>	<u>0</u>	<u>0</u>	<u>377,174</u>
Total General Fixed Assets	<u>\$377,174</u>	<u>\$0</u>	<u>\$0</u>	<u>\$377,174</u>
Investment in General Fixed Assets	<u>\$377,174</u>	<u>\$0</u>	<u>\$0</u>	<u>\$377,174</u>

See notes to financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

Natchitoches Levee & Drainage District
General Long-Term Debt Account Group

Schedule of General Long-Term Debt
June 30, 1999
With Comparative Totals from June 30, 1998

	<u>Leases Payable</u>	<u>Totals</u>	
		<u>6-30-99</u>	<u>6-30-98</u>
Amount Available for Payment of Long-Term Debt	<u>\$59,545</u>	<u>\$59,545</u>	<u>\$89,586</u>
General Long-Term Debt	<u>\$59,545</u>	<u>\$59,545</u>	<u>\$89,586</u>

See notes to financial statements.

Natchitoches Levee & Drainage District
General Long-Term Debt Account Group

Schedule of Changes in General Long-Term Debt
Year Ended June 30, 1999

	<u>Balance</u> <u>6-30-98</u>	<u>Long-Term</u> <u>Debt Retired</u>	<u>Balance</u> <u>6-30-99</u>
Amount Available in General Fund	\$ <u>89,586</u>	\$ <u>(30,041)</u>	\$ <u>59,545</u>
General Long-Term Debt Payable	\$ <u>89,586</u>	\$ <u>(30,041)</u>	\$ <u>59,545</u>

See notes to financial statements.

INTERNAL CONTROL AND COMPLIANCE

Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit F

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Eddie G. Johnson, C.P.A. - A Professional Corporation (1968-1996)

Mark D. Thomas, C.P.A. - A Professional Corporation

Roger M. Cunningham, C.P.A. - A Professional Corporation

J. Paul Sklar, C.P.A. - A Professional Corporation

*381 Bienville Street
Natchitoches, Louisiana 71457*

(318) 352-3652

Fax (318) 352-4447

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

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

We have audited the general purpose financial statements of the Natchitoches Levee and Drainage District as of and for the year ended June 30, 1999, and have issued our report thereon dated September 10, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

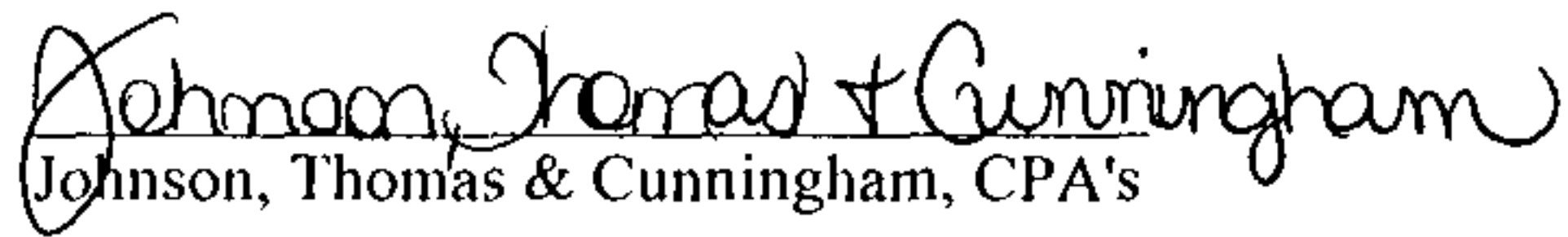
Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Levee and Drainage District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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


Johnson, Thomas & Cunningham, CPA's

September 10, 1999
Natchitoches, Louisiana

SUPPLEMENTARY INFORMATION

Natchitoches Levee and Drainage District
Schedule of Per Diem Paid to Board Members
Year Ended June 30, 1999

<u>Name</u>	<u>Amount</u>
L. M. Carnahan, Jr.	\$ 375
Janet Jones	825
Adolph Sklar, Jr.	825
John C. Conine	975
Alfred Bruning	900
Billy Giddens	825
Karlton Methvin	975
Milton McDonald	900
Joseph N. Henry	<u>825</u>
Total	<u>\$7,425</u>

Natchitoches Levee and Drainage District
Schedule of State Funding
Year Ended June 30, 1999

<u>Funding/Source</u>	<u>Amount</u>
State Revenue Sharing	\$ 38,076
Construction Grant through DOTD	<u>156,326</u>
Total	<u>\$194,402</u>

Natchitoches Levee and Drainage District
Schedule of Expenditures by Object
Year Ended June 30, 1999

<u>Object</u>	<u>Amount</u>
Personal Services	\$146,326
Travel	1,059
Operating Services	83,558
Supplies	11,161
Professional Services	21,585
Other Charges	4,141
Capital Outlay	156,326
Debt Service	<u>34,218</u>
Total Expenditures	<u>\$458,374</u>

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