

**STATE OF LOUISIANA  
BOSSIER LEVEE DISTRICT**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2012**

State of Louisiana  
Bossier Levee District  
Annual Financial Report  
June 30, 2012

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# State of Louisiana Bossier Levee District

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Bossier Levee District's financial performance presents a narrative overview and analysis of the Bossier Levee District's financial activities for the year ended June 30, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Bossier Levee District's financial statements, which begin on page 10.

### FINANCIAL HIGHLIGHTS

1. The Bossier Levee District had cash and investments of \$8,571,763 at June 30, 2012, which represents an increase of \$38,228 from prior year.
2. The Bossier Levee District had a revenue receivable of \$4,515 at June 30, 2012, which represents a decrease of \$11,381 from prior year.
3. The Bossier Levee District had accounts payable and accruals of \$52,119 at June 30, 2012, which represents a decrease of \$17,953 from prior year.
4. The Bossier Levee District had total revenues of \$3,079,954 for the year ended June 30, 2012, which represents a decrease of \$105,198 from prior year.
5. The Bossier Levee District had property tax revenue of \$2,278,865 for the year ended June 30, 2012, which represents an increase of \$109,971 from prior year.
6. The Bossier Levee District had interest income of \$94,583 for the year ended June 30, 2012, which represents a decrease of \$53,152 from prior year.
7. The Bossier Levee District had personnel service expenses of \$933,918 for the year ended June 30, 2012, which represents an increase of \$91,906 from prior year.
8. The Bossier Levee District had operating service expenses of \$1,609,837 for the year ended June 30, 2012, which represents a decrease of \$936,441 from prior year.
9. The Bossier Levee District had capital asset purchases of \$241,004 for the year ended June 30, 2012, which represents a decrease of \$532,285 from prior year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

### Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Bossier Levee District as a whole and present a longer-term view of the Bossier Levee District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the Bossier Levee District's net assets, the difference between assets and liabilities, as one way to measure the Bossier Levee District's financial health, or financial position. Over time, increases or decreases in the Bossier Levee District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 13. All of the Bossier Levee District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Bossier Levee District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Bossier Levee District's activities as well as what remains for future spending.

## FINANCIAL ANALYSIS OF THE ENTITY

### Statement of Net Assets

	<u>2012</u>	<u>2011</u>
Current & other assets	\$ 8,632,734	\$ 8,618,559
Capital assets, net	<u>2,051,331</u>	<u>1,989,520</u>
Total Assets	<u>\$10,684,065</u>	<u>\$10,608,079</u>
Other liabilities	\$ 52,119	\$ 70,072
Compensated absences payable	<u>77,880</u>	<u>71,240</u>
Total Liabilities	<u>\$ 129,999</u>	<u>\$ 141,312</u>

## Statement of Nets Assets (cont'd)

	<u>2012</u>	<u>2011</u>
Net Assets-		
Invested in capital assets	\$ 2,051,331	\$ 1,989,520
Unrestricted	<u>8,502,735</u>	<u>8,477,246</u>
Total Net Assets	<u>\$10,554,066</u>	<u>\$10,466,766</u>

Net assets of the Bossier Levee District increased by \$87,300 or 0.8% from the previous fiscal year. The increase is the result of operating and non-operating revenues exceeding expenses during the fiscal year ended 2011 (See table below).

## Statement of Activities

	<u>2012</u>	<u>2011</u>
Public Safety-		
Expenses	\$(2,992,654)	\$(3,580,285)
Program Revenues-		
Operating grants & contributions	<u>415,458</u>	<u>538,862</u>
Subtotal	\$(2,577,196)	\$(3,041,423)
General Revenues	<u>2,664,496</u>	<u>2,646,290</u>
Change in Net Assets	<u>\$ 87,300</u>	<u>\$ (395,133)</u>

The Bossier Levee District's total revenues decreased by \$105,198 or 3.3% from the previous year. The total cost of all programs and services decreased by \$587,631 or 16.4% from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATIONCapital Assets

At June 30, 2012, the Bossier Levee District had \$2,051,331 net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$61,811 or 3% from the previous year.

Capital Assets  
(Net of Depreciation)

	<u>2012</u>	<u>2011</u>
Land	\$ 364,619	\$ 364,619
Construction in Progress	0	0
Buildings & building improvements	779,949	821,260
Automobiles & equipment	<u>906,763</u>	<u>803,641</u>
Total Assets	<u>\$2,051,331</u>	<u>\$1,989,520</u>

This year's major additions included:

Automobiles & Equipment	<u>\$241,004</u>
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Debt

The Bossier Levee District had \$77,880 in compensated absences payable at year end compared to \$71,240 at the previous year end, an increase of \$6,640 or 9% as shown in the table below.

Outstanding Debt at Year End

	<u>2012</u>	<u>2011</u>
Compensated absences payable	<u>\$77,880</u>	<u>\$71,240</u>

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$107,558 less than budgeted amounts due mainly to ad valorem taxes and state funding being less than expected.

Actual expenditures were \$6,490,032 less than budgeted amounts due mainly to special projects that were budgeted but not undertaken.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Bossier Levee District's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

1. Ad valorem taxes
2. Interest income
3. Projects under consideration
4. Intergovernmental revenues (state and federal grants)

### CONTACTING THE BOSSIER LEVEE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Bossier Levee District's finances and to show the Bossier Levee District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mary Jane Easterly, Administrative Manager, Post Office Box 8279, Bossier City, Louisiana 71113.



# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Bossier Levee District  
Bossier City, LA 71113

We have audited the accompanying financial statements of the governmental activities and the major fund of the Bossier Levee District (District), a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements of the District as listed in the Table of Contents. These financial statements are the responsibility of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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*. 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, the introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison listed as required supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Johnson, Thomas & Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

August 23, 2012  
Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

State of Louisiana  
Bossier Levee District  
Statement of Net Assets  
June 30, 2012

ASSETS:

Current Assets-

Cash & Cash Equivalents	\$ 278,887
Investments	8,292,876
Revenue Receivable	4,515
Accrued Interest	35,330
Long-term Receivable	<u>21,126</u>

Total Current Assets \$ 8,632,734

Noncurrent Assets-

Capital Assets (Net)	<u>2,051,331</u>
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Total Assets \$10,684,065

LIABILITIES:

Current Liabilities-

Accounts Payable and Accruals	\$ 52,119
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Noncurrent Liabilities-

Compensated Absences Payable	<u>77,880</u>
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Total Liabilities \$ 129,999

NET ASSETS:

Invested in Capital Assets	\$ 2,051,331
Unrestricted	<u>8,502,735</u>

Total Net Assets \$10,554,066

The accompanying notes are an integral part of this statement.

State of Louisiana  
Bossier Levee District  
Statement of Activities  
June 30, 2012

<u>Activities</u>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Public Safety:			
Personnel Services	\$ 940,558	\$ 0	\$ (940,558)
Travel	6,008	0	(6,008)
Operating Services	1,609,837	415,458	(1,194,379)
Operating Supplies	242,158	0	(242,158)
Professional Services	14,901	0	(14,901)
Depreciation	<u>179,192</u>	<u>0</u>	<u>(179,192)</u>
Total Public Safety	<u>\$2,992,654</u>	<u>\$415,458</u>	<u>\$ (2,577,196)</u>
General Revenues:			
Taxes			\$ 2,278,865
Intergovernmental- State Revenue Sharing			193,842
Interest Income			94,583
Rent Income			25,815
Royalties & Leases			44,537
Miscellaneous			<u>26,854</u>
Total General Revenues			<u>\$ 2,664,496</u>
Change in Net Assets			\$ 87,300
Net Assets at Beginning of Year			<u>10,466,766</u>
Net Assets at End of Year			<u>\$10,554,066</u>

The accompanying notes are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

State of Louisiana  
Bossier Levee District  
Balance Sheet-Governmental Fund  
June 30, 2012

ASSETS:

Cash & Cash Equivalents	\$ 278,887
Investments	8,292,876
Revenue Receivable	4,515
Accrued Interest	35,330
Long-term Receivable	<u>21,126</u>
Total Assets	<u>\$8,632,734</u>

LIABILITIES AND FUND BALANCE:

Liabilities-	
Accounts Payable and Accruals	\$ 52,119
Fund Balance-	
Nonspendable-	
Long-term Receivable	21,126
Unassigned	<u>8,559,489</u>
Total Fund Balance	<u>\$8,580,615</u>
Total Liabilities & Fund Balance	<u>\$8,632,734</u>

The accompanying notes are an integral part of this statement.



State of Louisiana  
Bossier Levee District  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Assets  
For the Year Ended June 30, 2012

Total Fund Balance for Governmental Funds \$ 8,580,615

Total Net Assets reported for Governmental Activities  
in the Statement of Net Assets are different because:

Capital Assets used in Governmental Activities are not  
financial resources and, therefore, are not reported  
in the funds. Those assets consist of:

Land	\$ 364,619
Buildings and Improvements	1,302,970
Vehicles and Equipment	1,874,181
Less, Accumulated Depreciation	<u>(1,490,439)</u>

Total Capital Assets 2,051,331

Long-term liabilities, including compensated absences payable,  
are not due and payable in the current period and therefore  
are not reported in the fund liabilities. (77,880)

Total Net Assets of Governmental Activities \$10,554,066

The accompanying notes are an integral part of this statement.

State of Louisiana  
Bossier Levee District  
Statement of Revenues, Expenditures and  
Changes in Fund Balance-Governmental Fund  
June 30, 2012

REVENUES:

Taxes	\$2,278,865
Intergovernmental-	
State Revenue Sharing	193,842
State Facility Planning	415,458
Miscellaneous Income-	
Interest Income	94,583
Royalties & Leases	70,352
Miscellaneous	<u>26,854</u>
Total Revenues	<u>\$3,079,954</u>

EXPENDITURES:

Current-	
Public Safety-	
Personnel Services	\$ 933,918
Travel	6,008
Operating Services	1,609,837
Operating Supplies	242,158
Professional Services	14,901
Capital Outlay	<u>241,004</u>
Total Expenditures	<u>\$3,047,826</u>

Excess of Revenues over Expenditures \$ 32,128

Fund Balance-Beginning of Year 8,548,487

Fund Balance-End of Year \$8,580,615

The accompanying notes are an integral part of this statement.

State of Louisiana  
Bossier Levee District  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balance of the  
Governmental Fund to the Statement of Activities  
For the Year Ended June 30, 2012

Net Change in Fund Balance-Total Governmental Fund \$ 32,128

The Change in Net Assets reported for Governmental Activities  
in the Statement of Activities is different because:

Governmental Funds report Capital Outlays as expenditures.

However, in the Statement of Activities, the cost of these  
assets is allocated over their estimated useful lives as  
depreciation expense. The cost of capital assets recorded  
in the current period is

241,004

Depreciation expense on capital assets is reported in the  
Government-wide financial statements, but does not  
require the use of current financial resources and is not  
reported in the Fund Financial Statements. Current year  
depreciation expense is

(179,192)

Accrued Compensated Absences do not require the use of  
current financial resources and, therefore, are not reported  
as expenditures in governmental funds.

(6,640)

Change in Net Assets of Governmental Activities \$ 87,300

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

Introduction:

The Bossier Levee District was created by the Louisiana State Legislature under the provisions of the Louisiana Constitution of 1974; Article 6, Section 34. The Bossier Levee District includes all of Bossier Parish and a portion of Red River Parish. The Bossier Levee District primarily provides flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the Bossier Levee District in accordance with the provisions of Louisiana statute. The eight members of the Board of Commissioners which govern the District are appointed by the governor of the State of Louisiana.

1. Summary of Significant Accounting Policies:

A. Financial Reporting Entity-

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Bossier 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 basic financial statements present information only as to the transactions of the Bossier Levee District, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues a basic financial statement, which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and is audited by the Louisiana Legislative Auditor.

B. Basis of Presentation-

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the Bossier Levee District. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

Fund Financial Statements

Fund financial statements of the Bossier Levee District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Bossier Levee District.

The major fund of the Bossier Levee District is described below:

Governmental Fund-

General Fund

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

C. Measurement Focus and Basis of Accounting-

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after the year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

D. Budgetary Data-

Budget Policy and Practice

The District’s policy is to prepare a budget in accordance with Louisiana Revised Statutes. Such budget is adopted by the District as a whole.

Budgetary Control

Formal budget integration is employed as a management control device during the year. Although appropriations contained in the budget lapse at year end, the District retains its unexpended fund balance to fund expenditures of the succeeding year.

Budget Basis of Accounting

The budget and amendment for the fiscal year ended June 30, 2012, were appropriately adopted and were prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements.

E. Assets, Liabilities, and Equity-

Cash and Investments

For the purpose of the Statement of Net Assets, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits of the District.

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

In the fund financial statements, material receivables in governmental funds include a revenue accrual for State appropriations, since such is both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. All receivables are reported at their gross value, and where applicable, are reduced by the estimated portion that is expected to be uncollectible.

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;



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- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the District's only governmental fund, has both an unassigned fund balance (\$8,548,486) and a nonspendable fund balance (\$21,126) representing long-term receivables.

F. Revenues, Expenditures, and Expenses-

Intergovernmental Revenues

Funds from the State of Louisiana are recorded as revenue when earned in the government-wide financial statements and when measurable and available in the fund financial statements.

Other Revenues

Property taxes, interest income and leases are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund - By Character

Current (further classified by function)

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

In the fund financial statements, expenditures are reported using the current financial resources measurement. Governmental funds report expenditures of financial resources.

G. Ad Valorem Taxes-

The District levies taxes on real and business personal property located within the boundaries of the District. Property taxes are levied by the District on property values assessed by the Bossier and Red River Parish Tax Assessors and approved by the State of Louisiana Tax Commission.

The Bossier and Red River Parish Sheriff's Offices bill and collect 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 & interest added	January 31
Lien date	January 31
Tax sale	May 15

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the District. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Bossier and Red River Parish Tax Assessors each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$671,629,870 in 2011. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$111,712,939 of the assessed value in 2011.

For the year ended June 30, 2012, the Bossier Levee District levied a tax of 4.11 mills.

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

H. Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Buildings & Building Improvements	40 years
Equipment	5-7 years
Vehicles	5-7 years
Furniture & Fixtures	5-7 years

I. Compensated Absences-

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 900 hours of unused annual leave at the employee's hourly rate of pay at the time of termination.

J. Estimates-

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

2. Stewardship, Compliance, and Accountability:

By its nature as a component unit of the State of Louisiana, the District is subject to various state laws and regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Fund Accounting Requirements-

The District complies with all state laws and regulations requiring the use of separate funds. The District has no legally required separate funds.

B. Deposits and Investments Laws and Regulations-

In accordance with state law, all uninsured deposits of the District in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A, all deposits were fully insured or collateralized.

Investments are limited by R.S. 33:2955 and the District's investment policy.

3. Cash & Investments:

- A. At June 30, 2012, the District had cash and cash equivalents (book balances) totaling \$278,887 as follows-

Interest-bearing demand deposits	<u>\$278,887</u>
----------------------------------	------------------

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2012, the District has \$339,983 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$89,983 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 police jury that the fiscal agent has failed to pay deposited funds upon demand.

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Citizens National Bank	<u>\$339,983</u>

B. Investments-

The Bossier Levee District maintains investment accounts as authorized by Louisiana Revised Statutes. Investments are carried at fair market value as of the balance sheet date.

<u>Type of Investments</u>	<u>Reported Amount- Per Balance Sheet</u>	<u>Fair Value</u>
U.S. Government Obligations	\$6,999,615	\$6,999,615
Other:		
Money Market/Insured Savings	<u>1,293,261</u>	<u>1,293,261</u>
Total Investments	<u>\$8,292,876</u>	<u>\$8,292,876</u>

Of the \$1,293,261 held in money market accounts, \$252,751 is invested in money market sweep funds that are not secured by federal deposit insurance or the pledge of securities.

4. Accounts Receivable:

The following is a summary of accounts receivable at June 30, 2012:

<u>Class of Receivable</u>	<u>Amount</u>
Miscellaneous	\$ 4,515
Interest	35,330
Intergovernmental - Long-term	<u>21,126</u>
Total	<u>\$60,971</u>

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

5. Capital Assets:

A summary of the Bossier Levee District's capital assets at June 30, 2012, follows:

<u>Activities</u>	<u>Balance 07-01-11</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 06-30-12</u>
Capital Assets, Not Depreciated:				
Land	\$ <u>364,619</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>364,619</u>
Capital Assets, Depreciated:				
Buildings & Building Improvements	\$1,302,970	\$ 0	\$ 0	\$1,302,970
Less, Accumulated Depreciation	<u>(481,710)</u>	<u>(41,311)</u>	<u>0</u>	<u>(523,021)</u>
Total Buildings & Building Improvements	\$ <u>821,260</u>	\$ <u>(41,311)</u>	\$ <u>0</u>	\$ <u>779,949</u>
Automobiles & Equipment	\$1,666,982	\$ 241,004	\$ 33,805	\$1,874,181
Less, Accumulated Depreciation	<u>(863,341)</u>	<u>(137,882)</u>	<u>(33,805)</u>	<u>(967,418)</u>
Total Automobiles & Equipment	\$ <u>803,641</u>	\$ <u>103,122</u>	\$ <u>0</u>	\$ <u>906,763</u>
Total Capital Assets, Depreciated (Net)	\$ <u>1,624,901</u>	\$ <u>61,811</u>	\$ <u>0</u>	\$ <u>1,686,712</u>
Total Capital Assets, Net	\$ <u>1,989,520</u>	\$ <u>61,811</u>	\$ <u>0</u>	\$ <u>2,051,331</u>

6. Accounts Payable and Accruals:

The following is a summary of accounts payable and accruals at June 30, 2012:

<u>Class of Payable</u>	<u>Amount</u>
Accounts Payable	\$17,956
Accrued Expenses	<u>34,163</u>
Total	<u>\$52,119</u>

7. Compensated Absences:

At June 30, 2012, employees of the Bossier Levee District had accumulated \$77,880 in annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2012.

Compensated Absences Payable,	
Beginning of Year	\$ 71,240
Additions	43,570
Deletions	<u>(36,930)</u>
End of Year	<u>\$ 77,880</u>

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

8. Retirement System:

All employees of the Bossier Levee District are covered by the Social Security System. Employees contribute 4.2% of their total salary to the System, while 6.2% is contributed by the Bossier Levee District. For the year ended June 30, 2012, total contributions to the System were \$77,080 of which the Bossier Levee District contributed \$45,951 and employees contributed \$31,129. Total payroll for the year ended June 30, 2012 was \$741,150 and total payroll covered by the System was \$741,150. Any future deficits in this System will be financed by the United States Government. The Bossier Levee District has no further liability to the System for the year ended June 30, 2012.

9. Lease Obligations:

The Bossier Levee District was not obligated under any capital or operating lease commitments at June 30, 2012.

10. Risk Management:

The Bossier Levee District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bossier Levee District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Bossier Levee District.

11. Contingencies:

The Bossier Levee District is involved in several lawsuits as of the close of business on June 30, 2012. Although the outcome of these lawsuits is not determinable at this stage of the proceedings, the potential losses not covered by applicable insurance are not considered to be significant in relation to the Bossier Levee District's overall financial condition.

12. Post-Employment Benefits other than Pensions:

The District does not provide any post-retirement benefits; therefore GASB No. 45 does not apply.

13. Subsequent Events:

Management has evaluated events through August 23, 2012, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION



State of Louisiana  
Bossier Levee District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
of the Governmental Fund-Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2012

	<u>Budget</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 2,420,780	\$ 2,300,000	\$2,278,865	\$ (21,135)
Intergovernmental-				
State of Louisiana	507,500	490,000	415,458	(74,542)
State Revenue Sharing	192,000	192,000	193,842	1,842
Miscellaneous-				
Royalties & Leases	107,000	90,000	70,352	(19,648)
Interest Income	105,812	105,812	94,583	(11,229)
Other	<u>9,700</u>	<u>9,700</u>	<u>26,854</u>	<u>17,154</u>
Total Revenues	<u>\$ 3,342,792</u>	<u>\$ 3,187,512</u>	<u>\$3,079,954</u>	<u>\$ (107,558)</u>
EXPENDITURES:				
Current-				
General Government-				
Personnel Services	\$ 1,076,508	\$ 1,076,508	\$ 933,918	\$ 142,590
Travel	22,200	22,200	6,008	16,192
Operating Services	1,291,850	1,291,850	507,178	784,672
Operating Supplies	183,300	183,300	242,158	(58,858)
Professional Services	28,000	28,000	14,901	13,099
Acquisition & Major Repairs	1,206,000	1,206,000	739,055	466,945
Special Projects	5,380,000	5,380,000	363,604	5,016,396
Capital Outlay	<u>350,000</u>	<u>350,000</u>	<u>241,004</u>	<u>108,996</u>
Total Expenditures	<u>\$ 9,537,858</u>	<u>\$ 9,537,858</u>	<u>\$3,047,826</u>	<u>\$ 6,490,032</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$(6,195,066)</u>	<u>\$(6,350,346)</u>	<u>\$ 32,128</u>	<u>\$(6,382,474)</u>
OTHER FINANCING SOURCES (USES):				
Sale of Assets	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ (3,000)</u>
Excess(Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$(6,192,066)</u>	<u>\$(6,347,346)</u>	<u>\$ 32,128</u>	<u>\$(6,379,474)</u>
Fund Balance-Beginning of Year	<u>8,548,487</u>	<u>8,548,487</u>	<u>8,548,487</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 2,356,421</u>	<u>\$ 2,201,141</u>	<u>\$8,580,615</u>	<u>\$(6,379,474)</u>

The accompanying notes are an integral part of this statement.

## SUPPLEMENTARY INFORMATION

State of Louisiana  
Bossier Levee District  
Schedule of Per Diem Paid to Board Members  
For the Year Ended June 30, 2012

<u>Commissioners</u>	<u>Amount</u>
L. Webb	\$ 750
Timothy Larkin	600
Raymond Lasseigne	900
Kenneth Loftin	12,000
James Rabb	900
Scott Sinclair	825
Dennis Branton	675
T. Alley, Jr.	975
Carl Bantle	<u>600</u>
Total	<u>\$18,225</u>

The schedule of compensation paid to 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 personnel services expenses. Board members are paid \$75 per day up 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.

State of Louisiana  
Bossier Levee District  
Schedule of State Funding  
June 30, 2012

<u>Description of Funding</u>	<u>Amount</u>
State Revenue Sharing	<u>\$193,842</u>

## OTHER REPORTS

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

Jessica H. Broadway, CPA – A Professional Corporation

Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447

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

Board of Commissioners  
Bossier Levee District  
Bossier City, LA 71113

We have audited the financial statements of the governmental activities and the major fund of the Bossier Levee District, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of audit findings as item 12-01.

The District's response to the finding identified in our audit is described in the accompanying schedule of audit findings. We did not audit the District's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Louisiana Legislative Auditor and management of the District, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnson, Thomas & Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

August 23, 2012  
Natchitoches, Louisiana

State of Louisiana  
Bossier Levee District  
Schedule of Audit Findings  
Year Ended June 30, 2012

I. SUMMARY OF AUDIT RESULTS

1. An unqualified opinion was issued on the basic financial statements of the Bossier Levee District as of and for the year ended June 30, 2012.
2. The audit did not disclose any significant deficiencies in internal control that are considered to be material weaknesses.
3. The audit did disclose one instance of noncompliance that is required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance-

*12-01 Cash Balance Unsecured*

*Criteria* - Louisiana state law requires that all funds held for an entity must be in approved investments or secured by FDIC insurance/pledge of securities. The amount of FDIC insurance/pledge securities must at all times equal or exceed the amount on deposit.

*Condition* - At June 30, 2012, the District had \$252,751 in money market accounts through Merrill Lynch that was not secured as required by state law. FDIC does not insure funds maintained in this type of account nor are there pledged securities for these money market funds.

*Effect* - If Merrill Lynch failed, the District would lose the funds in these accounts.

*Cause* - The District did not monitor the balances to ensure the balances were in approved investments.

*Recommendation* - The District should transfer these funds to a type of investment which is insured or can be insured either by FDIC or pledged securities.

*Management's Response* – We will transfer into a type of investment which is insured or can be insured either by FDIC/pledged securities. (This was corrected on 8-23-2012.)

III. PRIOR YEAR FINDINGS

No findings.



SUPPLEMENTAL INFORMATION  
REQUIRED BY DIVISION OF ADMINISTRATION

Schedule Number

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 20 12

**BOSSIER LEVEE DISTRICT**

**P.O. BOX 8279**

**BOSSIER CITY, LA. 71113**

(Agency Name & Mailing Address)

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, MARY JANE EASTERLY (Name)  
(Title) of ADMINISTRATIVE MANAGER (Agency) who duly sworn, deposes and says, that the financial  
statements herewith given present fairly the financial position of BOSSIER LEVEE DISTRICT (agency) at June  
30, 2012 and the results of operations for the year then ended in accordance with policies and practices established  
by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed  
by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 22nd day of  
August, 20 12.

Mary Jane Easterly  
Signature of Agency Official

Arthur M. Wallace, Jr.  
NOTARY PUBLIC

Prepared by: MARY JANE EASTERLY

Title: ADMINISTRATIVE MANAGER

Telephone No.: 318 746 7151

Date: \_\_\_\_\_

Email Address: BLEVEE@BELLSOUTH.NET

ARTHUR M. WALLACE, JR., NOTARY PUBLIC  
BOSSIER PARISH, LOUISIANA  
MY COMMISSION IS FOR LIFE  
NOTARY ID # 7198  
BAR ROLL # 13194

State of Louisiana  
Bossier Levee District  
Balance Sheet  
As of June 30, 2012

ASSETS:

Current Assets-

Cash & Cash Equivalents	\$ 278,887
Investments	8,292,876
Receivables (net of allowance for doubtful accounts) (Note U)	<u>60,971</u>

Total Current Assets \$ 8,632,734

Noncurrent Assets-

Capital Assets (net of depreciation) (Note D)-

Land and Non-depreciable Easements	\$ 364,619
Buildings & Improvements	779,949
Machinery & Equipment	<u>906,763</u>

Total Noncurrent Assets \$ 2,051,331

Total Assets \$10,684,065

LIABILITIES:

Current Liabilities-

Accounts Payable and Accruals (Note V)	\$ 52,119
--	-----------

Noncurrent Liabilities-

Compensated Absences Payable (Note K)	<u>77,880</u>
---------------------------------------	---------------

Total Liabilities \$ 129,999

NET ASSETS:

Invested in Capital Assets, Net of Related Debt	\$ 2,051,331
Unrestricted	<u>8,502,735</u>

Total Net Assets \$10,554,066

Total Liabilities & Net Assets \$10,684,065

The accompanying notes are an integral part of this statement.

State of Louisiana  
Bossier Levee District  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
For the Year Ended June 30, 2012

OPERATING REVENUES:	\$ <u>415,458</u>
OPERATING EXPENSES:	
Cost of Sales and Services	\$ 1,858,003
Administrative	955,459
Depreciation	<u>179,192</u>
Total Operating Expenses	\$ <u>2,992,654</u>
Operating Income (Loss)	\$ <u>(2,577,196)</u>
NON-OPERATING REVENUES (EXPENSES):	
Intergovernmental Revenues (Expenses)	\$ 193,842
Taxes	2,278,865
Interest Income	94,583
Rental Income	25,815
Mineral Royalties & Leases	44,537
Other Revenue	<u>26,854</u>
Total Non-operating Revenues (Expenses)	\$ <u>2,664,496</u>
Income Before Contributions & Transfers	\$ 87,300
Total Net Assets - Beginning	<u>10,466,766</u>
Total Net Assets - Ending	<u>\$10,554,066</u>

The accompanying notes are an integral part of this statement.

State of Louisiana  
Bossier Levee District  
Statement of Activities  
For the Year Ended June 30, 2012

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Public Safety	<u>\$2,992,654</u>	<u>\$0</u>	<u>\$415,458</u>	<u>\$0</u>	<u>\$ (2,577,196)</u>
General Revenues:					
					\$ 2,278,865
					193,842
					94,583
					25,815
					44,537
					<u>26,854</u>
					\$ <u>2,664,496</u>
					\$ 87,300
					<u>10,466,766</u>
					<u>\$10,554,066</u>

The accompanying notes are an integral part of this statement.

State of Louisiana  
Bossier Levee District  
Statement of Cash Flows  
For the Year Ended June 30, 2012

Cash Flows from Operating Activities:		
Cash Received from Operating Grants	\$ 441,717	
Cash Payments to Suppliers for Goods & Services	(1,884,773)	
Cash Payments to Employees for Services	<u>(940,001)</u>	
Net Cash Provided (Used) by Operating Activities		<u>\$(2,383,057)</u>
Cash Flows from Non-Capital Financing Activities:		
Rental Income	\$ 70,352	
Ad Valorem Taxes	2,278,865	
State Revenue Sharing	193,842	
Other Revenue	<u>26,854</u>	
Net Cash (Used) by Non-Capital Financing Activities		<u>\$ 2,569,913</u>
Cash Flows from Capital & Related Financing Activities:		
Acquisition/Construction of Capital Assets	<u>\$ (241,004)</u>	
Net Cash (Used) by Capital Financing Activities		<u>\$ (241,004)</u>
Cash Flows from Investing Activities:		
Loss from Sale of Investments	\$ (301,874)	
Interest Income	<u>92,376</u>	
Net Cash Provided (Used) by Investing Activities		<u>\$ (209,498)</u>
Net Increase (Decrease) in Cash & Cash Equivalents		\$ (263,646)
Cash & Cash Equivalents-Beginning of Year		<u>542,533</u>
Cash & Cash Equivalents-End of Year		<u>\$ 278,887</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)		\$(2,577,196)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided:		
Depreciation/Amortization		179,192
Changes in Assets & Liabilities:		
(Increase) Decrease to Accounts Receivable		26,259
Increase (Decrease) to Accounts Payable & Accruals		(17,952)
Increase (Decrease) in Compensated Absences Payable		<u>6,640</u>
Net Cash Provided (Used) by Operating Activities		<u>\$(2,383,057)</u>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

State of Louisiana  
Bossier Levee District  
Notes to Financial Statements  
June 30, 2012

## INTRODUCTION

The Bossier Levee District was created by the Louisiana State Legislature under the provisions of the Louisiana Constitution of 1974; Article 6, Section 34. The Bossier Levee District includes all of Bossier Parish and a portion of Red River Parish. The Bossier Levee District primarily provides flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the Bossier Levee District in accordance with the provisions of Louisiana statute. The eight members of the Board of Commissioners which govern the District are appointed by the governor of the State of Louisiana.

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

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 GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Bossier Levee District present information only as to the transactions of the programs of the Bossier Levee District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses 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 accounts of the Bossier Levee District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

#### Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

#### Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.



State of Louisiana  
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## B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Bossier Levee District are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original state appropriation plus subsequent amendments as follows:

Original approved budget	\$0
Amendments	<u>0</u>
Final approved budget	<u>\$0</u>

## C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

### 1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Bossier Levee District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Bossier Levee District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

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Deposits in bank accounts 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 required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. All of the District's deposits were fully secured at June 30, 2012.

The following is a breakdown by banking institution and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Citizens National Bank	<u>\$339,983</u>

## 2. INVESTMENTS

The Bossier Levee District does maintain investment accounts as authorized by Louisiana Revised Statutes.

### Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. The District's investments were not subject to custodial credit risk at June 30, 2012.

<u>Type of Investments</u>	<u>Reported Amount- Per Balance Sheet</u>	<u>Fair Value</u>
U.S. Government Obligations	\$6,999,615	\$6,999,615
Other:		
Money Market	<u>1,293,261</u>	<u>1,293,261</u>
Total Investments	<u>\$8,292,876</u>	<u>\$8,292,876</u>

Of the \$1,293,261 held in money market accounts, \$252,751 is invested in money market sweep funds that are not secured by federal deposit insurance or the pledge of securities.

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3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
Unrated	_____	<u>\$8,292,876</u>

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>Greater than 1</u>
U.S. Government Obligations	\$6,999,615	\$ 0	\$6,999,615
Other	<u>1,293,261</u>	<u>1,293,261</u>	<u>0</u>
Total Debt Investments	<u>\$8,292,876</u>	<u>\$1,293,261</u>	<u>\$6,999,615</u>

2. The Bossier Levee District does not have any debt investments that are highly sensitive to change in interest rates.

C. Concentration of Credit Risk - N/A

D. Foreign Currency Risk - N/A

4. DERIVATIVES (GASB 53) - N/A

5. POLICIES

The Bossier Levee District does not have a written policy; however, they follow state law with respect to investments.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS - N/A

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**D. CAPITAL ASSETS - INCLUDING CAPITAL LEASE ASSETS**

	<u>Prior Period Adjustments</u>							Balance 06-30-12
	Balance 06-30-11	Adj. after submitted to OSRAP (+or-)	Restatements (+or-)	Adjusted Balance 06-30-11	Additions	Transfers	Retirements	
Capital Assets not being Depreciated:								
Land	\$ <u>364,619</u>	\$0	\$0	\$ <u>364,619</u>	\$ <u>0</u>	\$0	\$ <u>0</u>	\$ <u>364,619</u>
Other Capital Assets:								
Machinery & Equipment	\$ 1,666,982	\$0	\$0	\$ 1,666,982	\$ 241,004	\$0	\$33,805	\$1,874,181
Less, Accumulated Depreciation	<u>(863,341)</u>	<u>0</u>	<u>0</u>	<u>(863,341)</u>	<u>(137,882)</u>	<u>0</u>	<u>(33,805)</u>	<u>(967,418)</u>
Total Machinery & Equipment	\$ <u>803,641</u>	\$0	\$0	\$ <u>803,641</u>	\$ <u>103,122</u>	\$0	\$ <u>0</u>	\$ <u>906,763</u>
Buildings and Improvements	\$ 1,302,970	\$0	\$0	\$ 1,302,970	\$ 0	\$0	\$ 0	\$1,302,970
Less, Accumulated Depreciation	<u>(481,710)</u>	<u>0</u>	<u>0</u>	<u>(481,710)</u>	<u>(41,311)</u>	<u>0</u>	<u>0</u>	<u>(523,021)</u>
Total Buildings & Improvements	\$ <u>821,260</u>	\$0	\$0	\$ <u>821,260</u>	\$ <u>(41,311)</u>	\$0	\$ <u>0</u>	\$ <u>779,949</u>
Capital Asset Summary:								
Capital Assets not Depreciated	\$ 364,619	\$0	\$0	\$ 364,619	\$ 0	\$0	\$ 0	\$ 364,619
Other Capital Assets Book Value	<u>2,969,952</u>	<u>0</u>	<u>0</u>	<u>2,969,952</u>	<u>241,004</u>	<u>0</u>	<u>33,805</u>	<u>3,177,151</u>
Total Cost of Capital Assets	\$ 3,334,571	\$0	\$0	\$ 3,334,571	\$ 241,004	\$0	\$33,805	\$3,541,770
Accumulated Depreciation	<u>(1,345,051)</u>	<u>0</u>	<u>0</u>	<u>(1,345,051)</u>	<u>(179,193)</u>	<u>0</u>	<u>(33,805)</u>	<u>(1,490,439)</u>
Capital Assets, Net	\$ <u>1,989,520</u>	\$0	\$0	\$ <u>1,989,520</u>	\$ <u>61,811</u>	\$0	\$ <u>0</u>	\$ <u>2,051,331</u>

**E. INVENTORIES - N/A**

**F. RESTRICTED ASSETS - N/A**

**G. LEAVE**

**COMPENSATED ABSENCES**

The Bossier Levee District has the following policy on annual and sick leave:

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 900 hours of unused annual leave at the employee's hourly rate of pay at the time of termination.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

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June 30, 2012

#### H. RETIREMENT SYSTEM

All employees of the Bossier Levee District are covered by the Social Security System. Employees contribute 4.2% of their total salary to the System, while 6.2% is contributed by the Bossier Levee District. For the year ended, June 30, 2012, total contributions to the System were \$77,080 of which the Bossier Levee District contributed \$45,951 and employees contributed \$31,129. Total payroll for the year ended June 30, 2012 was \$741,150 and total payroll covered by the System was \$741,150. Any future deficits in this System will be financed by the United States Government. The Bossier Levee District has no further liability to the System for the year ended June 30, 2012.

#### I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District does not offer any post-employment benefits.

#### J. LEASES - N/A

#### K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2012:

		<u>Year Ended June 30, 2012</u>			Amounts due within <u>one year</u>
		<u>Balance 06-30-11</u>	<u>Additions</u>	<u>Reductions</u>	
Other Liabilities:					
Compensated absences payable		<u>\$71,240</u>	<u>\$43,570</u>	<u>\$36,930</u>	<u>\$77,880</u>
					<u>\$7,500</u>

#### L. CONTINGENT LIABILITIES - N/A

#### M. RELATED PARTY TRANSACTIONS - N/A

#### N. ACCOUNTING CHANGES - N/A

#### O. IN-KIND CONTRIBUTIONS - N/A

#### P. DEFEASED ISSUES - N/A

#### Q. REVENUES – PLEDGED OR SOLD (GASB 48) - N/A

#### R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) - N/A

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S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - N/A

T. SHORT-TERM DEBT - N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2012, were as follows:

<u>Fund</u>	<u>Customer Receivables</u>	<u>Taxes</u>	<u>Receivables from Other Governments</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
General Fund	\$ <u>0</u>	\$ <u>0</u>	\$ <u>21,126</u>	\$ <u>39,845</u>	\$ <u>60,971</u>
Gross Receivables	\$0	\$0	\$21,126	\$39,845	\$60,971
Less, allowance for uncollectible accounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Receivables, Net	\$ <u>0</u>	\$ <u>0</u>	\$ <u>21,126</u>	\$ <u>39,845</u>	\$ <u>60,971</u>
Amounts not scheduled for collection during the subsequent year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2012, were as follows:

<u>Fund</u>	<u>Vendors</u>	<u>Salaries &amp; Benefits</u>	<u>Total Payables</u>
General Fund	\$ <u>17,956</u>	\$ <u>34,163</u>	\$ <u>52,119</u>

W. SUBSEQUENT EVENTS - N/A

X. SEGMENT INFORMATION - N/A

Y. DUE TO/DUE FROM AND TRANSFERS - N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS - N/A

State of Louisiana  
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Notes to Financial Statements  
June 30, 2012

- AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS - N/A
- BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) - N/A
- CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES - N/A
- DD. EMPLOYEE TERMINATION BENEFITS - N/A
- EE. POLLUTION REMEDIATION OBLIGATIONS - N/A
- FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) - N/A
- GG. RESTRICTED NET ASSETS – OTHER SPECIFIC PURPOSES - N/A

State of Louisiana  
Bossier Levee District  
Schedule of Per Diem Paid to Board Members  
For the Year Ended June 30, 2012

<u>Commissioners</u>	<u>Amount</u>
L. Webb	\$ 750
Timothy Larkin	600
Raymond Lasseigne	900
Kenneth Loftin	12,000
James Rabb	900
Scott Sinclair	825
Dennis Branton	675
T. Alley, Jr.	975
Carl Bantle	<u>600</u>
Total	<u>\$18,225</u>

The schedule of compensation paid to 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 personnel services expenses. Board members are paid \$75 per day up 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.



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Schedule of Long-Term Debt  
June 30, 2012

<u>Description of Long-Term Debt</u>	<u>Amount</u>
Compensated Absences	<u>\$77,880</u>

State of Louisiana  
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Comparison Figures

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2012</u>	<u>2011</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 3,079,954	\$ 3,185,152	\$ (105,198)	(3.3%)
Expenses	\$ 2,992,654	\$ 3,580,285	\$ (587,631)	(16.4%)
2) Capital assets	\$ 2,051,331	\$ 1,989,520	\$ 61,811	3.1%
Long-term debt	\$ 77,880	\$ 71,240	\$ 6,640	9.3%
Net Assets	\$10,554,066	\$10,466,766	\$ 87,300	0.8%

SCHEDULE 16 – COOPERATIVE ENDEAVORS  
FOR THE YEAR ENDED JUNE 30, 2012

AGENCY NUMBER \_\_\_\_\_  
AGENCY NAME BOSSIER LEVEE DISTRICT

[illegible]