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**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-14-05

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005**

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STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

August 17, 2005

Board of Commissioners of the
Atchafalaya Basin Levee District
State of Louisiana
P. O. Box 170
Port Allen, Louisiana 70767

We have audited the accompanying financial statements of the governmental activities of the Atchafalaya Basin Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Atchafalaya Basin Levee District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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 of the Atchafalaya Basin Levee District as of June 30, 2005, 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.

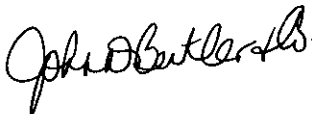
Board of Commissioners of the
Atchafalaya Basin Levee District
State of Louisiana
August 17, 2005
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Atchafalaya Basin Levee District's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2005, on our consideration of the Atchafalaya Basin Levee District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

The purpose of this section is to offer management's discussion and analysis of the Atchafalaya Basin Levee District of the State of Louisiana's (hereafter referred to as the District) financial performance during the year ended June 30, 2005. It should be read in conjunction with the financial report taken as a whole.

Financial Highlights

The District's assets exceeded its liabilities at the close of the fiscal year by \$10,400,679 that represents a 4% increase from the prior year.

The District's revenues increased by \$116,636 or 3%.

Overview of the Financial Statement Presentation

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Activities. This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one category of funds: governmental funds.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund.

Budgetary comparison schedules are included for governmental funds under required supplemental information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final revised budgets and begin on page 31.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information.

Financial Analysis of the District

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS
Governmental Activities
(in thousands)**

	<u>2005</u>	<u>2004</u>
Assets		
Current assets	\$ 6,685.	\$ 6,063.
Non-current assets	1,757.	1,886.
Capital assets, net	<u>2,297.</u>	<u>2,319.</u>
Total Assets	<u>10,739.</u>	<u>10,268.</u>

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

	<u>2005</u>	<u>2004</u>
Liabilities		
Current liabilities	127.	77.
Long-term liabilities	<u>212.</u>	<u>198.</u>
Total Liabilities	<u>339.</u>	<u>275.</u>
 Net Assets		
Invested in capital assets, net of related debt	2,297.	2,318.
Unrestricted	<u>8,103.</u>	<u>7,675.</u>
Total Net Assets	<u>10,400.</u>	<u>9,993.</u>

Net assets increased by \$407,000 for 4%. The Commission designated proceeds from a tax settlement for facility expansion that amounted to \$185,671 at June 30, 2005.

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities
(in thousands)**

	<u>2005</u>	<u>2004</u>
Revenues		
Capital grants	\$.	\$ 83.
General revenues:		
Ad Valorem taxes	3,301.	3,047.
Intergovernmental	441.	433.
Royalties and leases	286.	458.
Miscellaneous revenues	178.	166.
Investment earnings	<u>160.</u>	<u>61.</u>
Total Revenues	4,366.	4,248.
 Expenses		
Public safety/flood protection	<u>3,959.</u>	<u>3,694.</u>
 Change in net assets	407.	554.
Net assets, beginning	<u>9,993.</u>	<u>9,439.</u>
Net assets, ending	<u>10,400.</u>	<u>9,993.</u>

Operations remained relatively the same with a slight increase in revenues of \$118,000 or 3%. This is almost entirely due to an increase in tax revenues. Expenditures increased by \$265,000 or 7%, thereby decreasing the net change from the prior year. Needed maintenance is the primary reason for this increase.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

Budgetary Highlights

Revenues were \$422,111 more than anticipated. Expenses were also less than expected by \$9,761 for general government and \$35,774 for capital outlay. This resulted in an increase in net assets of \$467,645 more than was budgeted.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, net of accumulated depreciation, at June 30, 2005 and 2004, was \$2,297,207.13 and \$2,317,90.53, respectively.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
Governmental Activities		
(in thousands)		
	<u>2005</u>	<u>2004</u>
Non-depreciable Assets		
Land	\$ 16.	\$ 16.
Depreciable Assets		
Buildings and improvements	1,205.	1,277.
Machinery and equipment	829.	818.
Vehicles	212.	198.
Furniture and office equipment	<u>35.</u>	<u>9.</u>
Total	<u>2,297.</u>	<u>2,318.</u>

Long-Term Debt: Long-term debt of the District includes compensated absences at amounts of \$212,440.89 and \$197,987.28 at June 30, 2005 and 2004, respectively.

The District has no other long-term debt.

Economic Environment and Next Year's Budget

Management monitors the impact of the rising costs of fuel, group insurance, and retirement to its budget by developing a long-range plan covering the next five years. Since the majority of revenues are statutorily fixed (property taxes) management is concerned about the projected surplus that will impact future capital outlays and personnel changes.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting William Tyson, Executive Director, at P. O. Box 170, Port Allen, Louisiana 70767-0170, 225-387-2249.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 6,631,557.55
Accounts receivable:	
Taxes	7,725.38
Royalties/leases	30,091.94
Other	16,066.09
Total Current Assets	6,685,440.96
Non-Current Assets	
Investments	1,757,245.90
Capital assets, net of accumulated depreciation:	
Land	16,000.00
Buildings and improvements	1,221,626.79
Machinery and equipment	829,313.06
Vehicles	195,597.50
Furniture and office equipment	34,669.78
Total Non-Current Assets	4,054,453.03
Total Assets	10,739,893.99
LIABILITIES	
Current Liabilities	
Accounts payable	53,409.62
Deferred revenues	66,364.67
Bid bonds/lease deposits	6,999.80
Total Current Liabilities	126,774.09
Non-Current Liabilities	
Compensated absences payable	212,440.89
Total Liabilities	339,214.98
NET ASSETS	
Invested in capital assets, net of related debt	2,297,207.13
Unrestricted	8,103,471.88
Total Net Assets	10,400,679.01

The accompanying notes are an integral part of this financial statement.

ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

<u>Functions/Programs</u>	Program Revenues			Net Revenues (Expenses)
Governmental Activities	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Public safety/flood protection	\$ 3,958,096.11	\$ -	\$ -	\$ (3,958,096.11)
Total Governmental Activities/Primary Government	3,958,096.11	-	-	(3,958,096.11)

General Revenues

Ad Valorem taxes	3,301,034.94
Intergovernmental	440,631.51
Royalties and leases	285,844.79
Miscellaneous revenues	177,899.73
Investment earnings	159,798.85
Total General Revenues	4,365,209.82
Change in Net Assets	407,113.71
Net Assets, beginning	9,993,565.30
Net Assets, ending	10,400,679.01

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 6,631,557.55
Investments	1,757,245.90
Accounts receivable:	
Ad Valorem taxes	7,725.38
Royalties/leases	30,091.94
Other	<u>16,066.09</u>
TOTAL ASSETS	<u><u>8,442,686.86</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	53,409.62
Deferred revenues	66,364.67
Bid bonds/lease deposits	<u>6,999.80</u>
Total Liabilities	126,774.09
Fund Balances:	
Designated for facility expansion	185,671.31
Unreserved/undesignated	<u>8,130,241.46</u>
Total Fund Balances	<u><u>8,315,912.77</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>8,442,686.86</u></u>

The accompanying notes are an integral part of this statement.

ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total Fund Balances - Total Governmental Funds	\$ 8,315,912.77
Amounts reported for governmental activities in the Statements of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds. This is the reported amount of capital assets net of accumulated depreciation.	2,297,207.13
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in these funds. Long- term liabilities include the following:	
Compensated absences	<u>(212,440.89)</u>
Total Net Assets - Governmental Activities	<u><u>10,400,679.01</u></u>

The accompanying notes are an integral part of this statement.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2005**

	<u>General Fund</u>
REVENUES	
Ad Valorem taxes	\$ 3,301,034.94
Intergovernmental revenues:	
Terrebonne Levee and Conservation District	212,706.66
State revenue sharing	227,924.85
Royalties and leases	285,844.79
Interest and dividends	159,798.85
Sale of equipment	88,103.52
Belle River boat landing fees	96,496.14
Other revenues	<u>17,210.14</u>
Total Revenues	4,389,119.89
 EXPENDITURES	
General government	3,576,348.45
Capital outlay	<u>370,506.72</u>
Total Expenditures	<u>3,946,855.17</u>
Net Change in Fund Balances	442,264.72
 Fund balances, beginning	 <u>7,873,648.05</u>
Fund balances, ending	<u><u>8,315,912.77</u></u>

The accompanying notes are an integral part of this statement.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005**

Net Change in Fund Balances - Total Governmental Funds \$ 442,264.72

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 3,212.67

The sale of equipment provides a revenue source for governmental funds equal to the gross amount of proceeds received. However, in the Statement of Activities, consideration is given to the book value of the assets sold creating a gain or loss on the equipment sold. This is the amount by which the gross proceeds exceeded the gain on the equipment sold during the year. (23,910.07)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in compensated absences. (14,453.61)

Change in Net Assets - Governmental Activities 407,113.71

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

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**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

INTRODUCTION

The Atchafalaya Basin Levee District, a component unit of the State of Louisiana, was created by Louisiana Revised Statute 38:291. The District is domiciled in Port Allen and serves as a multi-parish authority to accomplish flood protection through the maintenance of levees and drainage. Its service area includes the parishes of Pointe Coupee, West Baton Rouge and parts of the parishes of Ascension, Assumption, Iberia, Iberville, St. Martin and St. Mary. The District is managed by a Board of Commissioners composed of 14 members that are appointed by the Governor of the State of Louisiana and serve terms concurrent with that of the Governor.

Commissioners, as authorized by Louisiana Revised Statute 38:308, receive a per diem to attend meetings or conduct board-approved business not to exceed \$75 per day. The president receives a salary in lieu of the per diem provision in an amount not to exceed \$1,000 per month.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Atchafalaya Basin Levee District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the majority of the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Atchafalaya Basin Levee District.

Government-wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net assets and statement of activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

exchange revenues and are usually reported in governmental and internal service funds. Business-type activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized along with interest on debt incurred during construction. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the District is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The District has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The District recognized the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General – accounts for all activities not required to be reported in another fund.

Basis of Accounting/Measurement Focus: 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 and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets and Budgetary Accounting: The District adopts an annual budget for all of its funds, prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

Cash and Cash Equivalents: Cash includes amounts in interest bearing demand deposits and funds held by the Louisiana Asset Management Pool (LAMP). Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in both governmental and business-type activities. Revenues become susceptible to accrual when they become both measurable and available.

Capital Assets: The District's assets are recorded at historical cost or estimated historical cost if actual is not available. Donated fixed assets are recorded at their estimated fair value on the date of donation. Its policy is to capitalize assets with an original cost of \$5,000 or more. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings/improvements	40 years	Machinery/equipment	3-10 years
Vehicles	5-10 years	Furniture/office equipment	5-10 years

The District maintains both Mississippi River and Tributaries and Hurricane Protection Levees. While the District mows grass and does minor repairs, major construction is normally done by the U.S. Corps of Engineers. The Division of Administration of the State of Louisiana, in a letter dated June 11, 2002, advised that the District does not provide major and significant improvements or maintenance to these levees that would constitute ownership under the Governmental Accounting Standards Board (GASB No. 34) requirements.

Compensated Absences: At June 30, 2005, employees of the District had accumulated and vested \$212,440.89 of employee leave benefits that were computed in accordance with GASB Codification Section C60.150.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. Other than compensated absences, the District does not have any long-term obligations.

Net Assets/Fund Balances: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

Interfund Transactions: All interfund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

Property Taxes: Article 6, Section 39 of the Louisiana Constitution of 1974 provides that, for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection and all other purposes incidental thereto, the District may levy annually a tax not to exceed five mills. Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. They are levied in November, billed in December and become delinquent on January 1 of the following year.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they 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.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board has \$5,525 in deposits (bank balances) that are considered uninsured and uncollateralized as follows at June 30, 2005:

Interest-bearing demand deposits	\$ 336,563.05
FDIC insurance	(100,000.00)
Pledged collateral	<u>(231,038.38)</u>
 Total Deposits, Uninsured/Uncollateralized	 <u>5,524.67</u>

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. 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 that the fiscal agent has failed to pay deposited funds upon demand.

A summary of cash and cash equivalents (book balances) at June 30, 2005, is as follows:

Petty cash	\$ 200.00
Interest-bearing demand deposits	239,848.75
Money market savings	249,701.91
LAMP	<u>6,141,806.89</u>
 Total	 <u>6,631,557.55</u>

The Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Its primary objective is to provide a safe environment for the placement of public funds in short-term, high quality investments in which local governments are authorized to invest as stipulated in Louisiana Revised Statute 33:2955. Accordingly, funds held in this investment pool are classified as cash equivalents in the accompanying financial statements.

NOTE 3 – INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. Investments of the District are government and agency securities held by the counter-party's trust department but not in the District's name. A summary of these securities are as follows at June 30, 2005:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain(Loss)</u>
U.S. Treasury notes	\$ 970,173.77	\$ 965,068.91	\$ (5,104.86)
Federal agency notes	548,804.69	545,719.50	(3,085.19)
Federal agency funds	<u>250,000.00</u>	<u>246,457.49</u>	<u>(3,542.51)</u>
 Total	 <u>1,768,978.46</u>	 <u>1,757,245.90</u>	 <u>(11,732.56)</u>

While there is no written policy, the District accepts this risk because the investments are backed by the U.S. government. Of these investments, \$996,211.85 are held at Edward Jones, and \$772,766.61 are held at Regions/Morgan Keegan (cost amounts).

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 16,000.00	\$.00	\$.00	\$ 16,000.00
Capital Assets, being depreciated				
Buildings and improvements	1,667,770.62	.00	.00	1,667,770.72
Less: accumulated depreciation	<u>373,762.15</u>	<u>72,381.78</u>	<u>.00</u>	<u>446,143.93</u>
Net Buildings and improvements	1,294,008.47	(72,381.78)	.00	1,221,626.79
Machinery and equipment	2,904,007.89	240,264.00	62,131.44	3,082,140.45
Less: accumulated depreciation	<u>2,086,398.49</u>	<u>204,650.27</u>	<u>38,221.37</u>	<u>2,252,827.39</u>
Net Machinery and Equipment	817,609.40	35,613.73	(23,910.07)	829,313.06
Vehicles	869,500.15	94,766.75	.00	964,266.90
Less: accumulated depreciation	<u>687,880.65</u>	<u>80,788.75</u>	<u>.00</u>	<u>768,669.40</u>
Net Vehicles	181,619.50	13,978.00	.00	195,597.50
Furniture and office equipment	32,562.60	35,475.97	.00	68,038.57
Less: accumulated depreciation	<u>23,895.54</u>	<u>9,473.25</u>	<u>.00</u>	<u>33,368.79</u>
Net Furniture and Office Equipment	8,667.06	26,002.72	.00	34,669.78
Net Capital Assets, being depreciated	<u>2,301,904.43</u>	<u>3,212.67</u>	<u>(23,910.07)</u>	<u>2,281,207.13</u>
Net Capital Assets	<u>2,317,904.43</u>	<u>3,212.67</u>	<u>(23,910.07)</u>	<u>2,297,207.13</u>

Not included in the above capital assets are levees to which the Division of Administration of the State of Louisiana has advised are not owned by the District but to which the District is responsible for maintaining. These include 380 miles of Mississippi River and Tributaries Project levees that lie within the jurisdiction of the District. Of these, 110.5 miles are main line Mississippi River levees and 269.5 miles are Atchafalaya River and Guide levees. These levees were constructed and improved over the past 100 years by both original landowners and federal and state governments. The cost was estimated based on information obtained from the New Orleans District of the U.S. Army Corps of Engineers at \$219,537,364.

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 5 – FUND DESIGNATIONS

In July of 2004, the Commission designated the proceeds and subsequent interest earnings from an oil settlement for facility expansions at Stephenville and Ravenswood. The initial settlement was \$180,593.57, and prorated interest earned through year-end was \$5,077.74. This \$185,671.31 is shown as designated fund balances in the fund financial statements.

NOTE 6 – LEAVE

Annual and Sick Leave. The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward on succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure when leave is actually taken. The cost of leave privileges not requiring current resources is recorded for governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$212,440.89.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labor Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time accrued at June 30, 2005.

NOTE 7 – RETIREMENT SYSTEM

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), cost sharing, multiple-employer and defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

provides death and disability benefits. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the District is required to contribute an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2005, was 17.8%. Contributions to the System for the years ended June 30, 2005, 2004 and 2003, were \$282,489, \$232,770 and \$192,202, respectively.

NOTE 8 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly health insurance premiums at 50% District and 50% retired person. The cost is recognized as an expenditure when paid and was \$171,578.10 for the year ended June 30, 2005. There are 31 retirees and 7 surviving spouses participating.

NOTE 9 – LEASES

The District does not have any operating or capital leases.

NOTE 10 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2005:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 53,409.62
Deposits and other funds held	<u>6,999.80</u>
Total	<u>60,409.42</u>

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 11 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 197,987.28	\$ 110,660.25	\$ 96,206.64	\$ 212,440.89	\$.00

NOTE 12 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 13 – LITIGATION

There is no litigation that would require disclosure in this report.

NOTE 14 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2005**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 2,975,069.00	\$ 3,122,229.00	\$ 3,301,034.94	\$ 178,805.94
Intergovernmental revenues	415,191.00	423,159.00	440,631.51	17,472.51
Royalties and leases	188,049.00	218,049.00	285,844.79	67,795.79
Interest and dividends	57,400.00	57,400.00	159,798.85	102,398.85
Sales of equipment	25,000.00	83,872.00	88,103.52	4,231.52
Belle River boat landing	-	-	96,496.14	96,496.14
Other revenues	62,300.00	62,300.00	17,210.14	(45,089.86)
Total Revenues	3,723,009.00	3,967,009.00	4,389,119.89	422,110.89
EXPENDITURES				
Ad valorem tax deductions	111,390.00	111,390.00	93,657.24	17,732.76
Belle River boat landing	12,500.00	12,500.00	26,087.16	(13,587.16)
General and administrative	62,648.00	64,108.00	55,182.19	8,925.81
Insurance and surety bonds	126,604.00	126,604.00	131,901.35	(5,297.35)
Maintenance	202,982.00	139,460.00	119,880.90	19,579.10
Materials and supplies	212,303.00	174,386.00	250,612.50	(76,226.50)
Police protection	169,711.00	195,042.00	195,379.50	(337.50)
Professional services	98,500.00	86,500.00	71,978.47	14,521.53
Salaries and related benefits	2,420,492.00	2,637,346.00	2,582,045.72	55,300.28
Travel	38,773.00	38,773.00	49,623.42	(10,850.42)
Total General Government	3,455,903.00	3,586,109.00	3,576,348.45	9,760.55
Capital outlay	266,700.00	406,281.00	370,506.72	35,774.28
Total Expenditures	3,722,603.00	3,992,390.00	3,946,855.17	45,534.83
Net Change in Fund Balances	406.00	(25,381.00)	442,264.72	467,645.72
Fund Balances, beginning	7,173,343.00	7,173,343.00	7,873,648.05	700,305.05
Fund Balances, ending	7,173,749.00	7,147,962.00	8,315,912.77	1,167,950.77

See Auditors' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PER DIEM/COMPENSATION PAID TO BOARD MEMBERS
JUNE 30, 2005**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem or compensation paid to board members is presented for the year ended June 30, 2005.

<u>Name</u>	<u>Amount</u>
<i>Salary</i>	
Maranto, Sr, Michael A.	\$ <u>12,002.00</u>
<i>Per Diem</i>	
Alexander, Sr., Gerald	\$ 2,700.00
Brignac, Ray J.	2,700.00
Flynn, Bill	2,925.00
Grezaffi, John	1,800.00
Grimmett, Bradley	2,700.00
Hebert, Daniel H.	1,800.00
Judice, Jackie P.	2,025.00
Juge, Stephen	1,875.00
Longman, Ralph R.	1,425.00
Marionneaux, Harry	3,075.00
Matherne, Earl J.	2,700.00
Raymond, John T.	1,800.00
Rockforte, Nickie W.	<u>1,575.00</u>
Total	<u>29,100.00</u>

See Auditors' Report

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

August 17, 2005

Board of Commissioners of the
Atchafalaya Basin Levee District
State of Louisiana
P. O. Box 170
Port Allen, Louisiana 70767-0170

We have audited the financial statements of the governmental activities of the Atchafalaya Basin Levee District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 17, 2005. 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.

Compliance

As part of obtaining reasonable assurance about whether the Atchafalaya Basin Levee 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*.

Board of Commissioners of the
Atchafalaya Basin Levee District
State of Louisiana
August 17, 2005
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Atchafalaya Basin Levee District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 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 solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

Sincerely,

A handwritten signature in black ink that reads "John D. Butler" followed by a stylized initial or mark.

John D. Butler & Company
A Professional Accounting Corporation

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005**

We have audited the basic financial statements of the Atchafalaya Basin Levee District as of and for the year ended June 30, 2005, and have issued our report thereon dated August 17, 2005. 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. Our audit of the basic financial statements as of June 30, 2005 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	No
	Reportable Condition	No

Compliance	Compliance Material to F/S	No
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2. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2005**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

<p>2004-1 Inadequate Accounting Controls and Supervision</p> <p><i>Recommendation:</i> Develop a strategy for addressing these deficiencies; assign responsibilities to an individual and monitor the progress</p>	<p>Partially Resolved</p> <p>The Board has developed a strategy to strengthen its controls, has assigned a responsible individual and continues to monitor its progress. It is still in the process of completing a comprehensive Policies & Procedures Manual.</p>
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**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2005**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

2004-1 Inadequate Accounting Controls and Supervision	Partially Resolved
<i>Recommendation:</i> Develop a strategy for addressing these deficiencies; assign responsibilities to an individual and monitor the progress	A comprehensive manual should be completed by June 30, 2006.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2005**

As a component unit of the State of Louisiana, the financial statements of the Atchafalaya Basin Levee District are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

ATCHAFALAYA BASIN LEVEE DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2005

C O N T E N T S

TRANSMITTAL LETTER

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
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F.	Restricted Assets
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H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
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T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
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X.	Segment Information
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Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets

Schedules

1	Schedule of Per Diem Paid Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

Appendices

A	Instruction for the Simplified Statement of Activities
B	Information for Note C “Deposits with Financial Institutions and Investments”

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

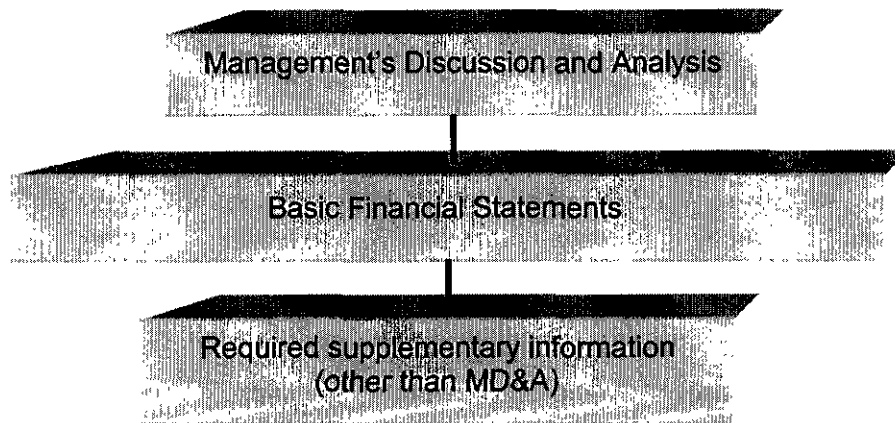
The Management's Discussion and Analysis of the Atchafalaya Basin Levee District's (BTA) (hereafter referred to as the District) financial performance presents a narrative overview and analysis of District's (BTA) financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page 41 and the District's (BTA) financial statements, which begin on page 47.

FINANCIAL HIGHLIGHTS

- ★ The District's (BTA) assets exceeded its liabilities at the close of fiscal year 2005 by \$10,400,679, which represents a 4% increase from last fiscal year.
- ★ The District's (BTA) revenue increased \$116,636 (or 3%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



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

The basic financial statements present information for the District (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (page 47) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the District (BTA) is improving or deteriorating.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2005**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 48) presents information showing how the District's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 50 - 51) presents information showing how the District's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the *direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities* (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of June 30, 2005
 (in thousands)

	Total	
	2005	2004
Current and other assets	\$ 6,685	\$ 6,063
Non-current assets	1,757	1,886
Capital assets	2,297	2,319
Total assets	<u>10,739</u>	<u>10,268</u>
Other liabilities	127	77
Long-term debt outstanding	212	198
Total liabilities	<u>339</u>	<u>275</u>
Net assets:		
Invested in capital assets, net of debt	2,297	2,318
Restricted		
Unrestricted	8,103	7,675
Total net assets	<u>\$ 10,400</u>	<u>\$ 9,993</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2005**

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 for the years ended June 30, 2005
 (in thousands)

	Total	
	2005	2004
Operating revenues	\$ -	\$ 83
Operating expenses	3,959	3,694
Operating (loss)	(3,959)	(3,611)
Non-operating revenues(expenses)	4,366	4,165
Income before transfers	407	554
Transfers in		
Transfers out		
Net increase in net assets	\$ 407	\$ 554

STATEMENT OF CASH FLOWS

Another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

Statement of Cash Flows
 (in thousands)

	2005	2004
Cash and cash equivalents provided used by:		
Operating activities	(3,528)	(3,374)
Capital Financial Activities	\$ (343)	\$ (33)
Non-capital financing activities	4,176	4,090
Investing activities	291	(1,827)
Net increase in cash and cash equivalents	596	(1,144)
Cash and cash equivalents	6,036	7,180
Beginning of year		
End of year	\$ 6,632	\$ 6,036

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2005
 CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2005, the District (BTA) had \$2,297,207 invested in a broad range of capital assets. This amount represents a net decrease of \$21,000 over last year.

Capital Assets at Year-end
 (Net of Depreciation, in thousands)

	<u>2005</u>	<u>2004</u>
Land	\$ 16	\$ 16
Buildings and improvements	1,221	1,295
Machinery and equipment	829	818
Vehicles	196	181
Furniture and office equipment	<u>35</u>	<u>9</u>
Totals \$	<u>\$ 2,297</u>	<u>\$ 2,319</u>

This year's major additions included (in thousands):

- Vehicles
-
-

Debt

The District's (BTA) long-term debt includes compensated absences at amounts of \$212,441 and \$197,987 at June 30, 2005 and 2004, respectively.

Outstanding Debt at Year-end
 (in thousands)

	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes	<u></u>	<u></u>
Totals \$	<u>\$ -</u>	<u>\$ -</u>

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$422,111 over budget and expenditures were less than budget by \$45,535.

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005
ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

- Rising costs of fuel, group insurance and retirement.
- Statutorily fixed revenue sources.

The District (BTA) expects that next year's results will improve based on the following :

- Development of a five year strategic plan.

CONTACTING THE DISTRICT'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's (BTA) finances and to show the District's (BTA) accountability for the money it receives. Any questions or requests for additional information can be obtained by contacting William Tyson, Executive Director, at P. O. Box 170, Port Allen, Louisiana 70767-0170, 225-387-2249.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 BALANCE SHEET
 AS OF JUNE 30, 2005**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	<u>6,631,558</u>
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		<u>53,883</u>
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		<u>6,685,441</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		<u>1,757,246</u>
Capital assets (net of depreciation)(Note D)		
Land		<u>16,000</u>
Buildings and improvements		<u>1,221,627</u>
Machinery and equipment		<u>829,313</u>
Vehicles		<u>195,598</u>
Furniture and office equipment		<u>34,670</u>
Other noncurrent assets		
Total noncurrent assets		<u>4,054,454</u>
Total assets	\$	<u>10,739,895</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>53,410</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		<u>66,365</u>
Amounts held in custody for others		
Other current liabilities		<u>7,000</u>
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>126,775</u>

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		<u>212,441</u>
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>212,441</u>
Total liabilities		<u>339,216</u>

NET ASSETS

Invested in capital assets, net of related debt		<u>2,297,207</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>8,103,472</u>
Total net assets		<u>10,400,679</u>
Total liabilities and net assets	\$	<u>10,739,895</u>

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2005**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____ -
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	_____ 3,590,802
Depreciation	_____ 367,294
Amortization	_____
Total operating expenses	_____ 3,958,096
Operating income(loss)	_____ (3,958,096)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____ 440,632
Taxes	_____ 3,301,035
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____ 64,193
Federal grants	_____
Interest	_____ 159,799
Other	_____ 399,552
Total non-operating revenues(expenses)	_____ 4,365,211
Income(loss) before contributions and transfers	_____ 407,115
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ 407,115
Total net assets – beginning as restated	_____ 9,993,564
Total net assets – ending	\$ _____ 10,400,679

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ <u>3,958,096</u>	\$ _____	\$ _____	\$ _____
General revenues:				
Taxes				<u>3,301,035</u>
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>159,799</u>
Miscellaneous				<u>904,377</u>
Special items				_____
Transfers				_____
Total general revenues, special items, and transfers				<u>4,365,211</u>
Change in net assets				<u>407,115</u>
Net assets - beginning as restated				<u>9,993,564</u>
Net assets - ending				\$ <u><u>10,400,679</u></u>

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2005**

Cash flows from operating activities	
Cash received from customers	\$ _____
Cash payments to suppliers for goods and services	_____ (960,285)
Cash payments to employees for services	_____ (2,567,592)
Payments in lieu of taxes	_____
Internal activity-payments to other funds	_____
Claims paid to outsiders	_____
Other operating revenues(expenses)	_____
Net cash provided(used) by operating activities	\$ _____ (3,527,877)
Cash flows from non-capital financing activities	
State appropriations	_____
Proceeds from sale of bonds	_____
Principal paid on bonds	_____
Interest paid on bond maturities	_____
Proceeds from issuance of notes payable	_____
Principal paid on notes payable	_____
Interest paid on notes payable	_____
Operating grants received	_____
Other	_____
Transfers In	_____ 4,176,401
Transfers Out	_____
Net cash provided(used) by non-capital financing activities	_____ 4,176,401
Cash flows from capital and related financing activities	
Proceeds from sale of bonds	_____
Principal paid on bonds	_____
Interest paid on bond maturities	_____
Proceeds from issuance of notes payable	_____
Principal paid on notes payable	_____
Interest paid on notes payable	_____
Acquisition/construction of capital assets	_____ (370,507)
Proceeds from sale of capital assets	_____ 88,104
Capital contributions	_____
Other	_____ (60,794)
Net cash provided(used) by capital and related financing activities	_____ (343,197)
Cash flows from investing activities	
Purchases of investment securities	_____
Proceeds from sale of investment securities	_____ 124,902
Interest and dividends earned on investment securities	_____ 166,470
Net cash provided(used) by investing activities	_____ 291,372
Net increase(decrease) in cash and cash equivalents	_____ 596,699
Cash and cash equivalents at beginning of year	_____ 6,034,859
Cash and cash equivalents at end of year	\$ _____ 6,631,558

The accompanying notes are an integral part of this statement.

Statement D (continued)

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

INTRODUCTION

The District (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291. The following is a brief description of the operations of District (BTA), which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 District present information only as to the transactions of the *programs of the 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 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.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the District (BTA) 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 appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2005**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>3,722,603</u>
Amendments:	<u>269,787</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>3,992,390</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

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 District (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) 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, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

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 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.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2005, consisted of the following:

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2005**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>6,631,368</u>	\$ _____	\$ _____	\$ <u>6,631,368</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$ <u>5,525</u>	\$ _____	\$ _____	\$ <u>5,525</u>
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	_____	_____	_____	-
Total Bank Balances - All Deposits	\$ <u>6,728,072</u>	\$ _____	\$ _____	\$ <u>6,728,072</u>

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

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

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Citizen's Bank</u>	<u>Flood protection</u>	\$ <u>586,265</u>
2. <u>LAMP</u>	<u>Flood protection</u>	<u>6,141,807</u>
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>6,728,072</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>200</u>

2. INVESTMENTS

The District (BTA) does maintain investment accounts as authorized by La. R.S. 33:2955.

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. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

<u>Rating</u>	<u>Fair Value</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

B. Interest rate Risk

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>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	_____	_____	_____	_____
U.S. Treasury obligations	_____	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Other	_____	_____	_____	_____
Total debt investments	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.):

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total investments. (not including U.S. government securities, mutual funds, and external investment pools)

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	_____

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____	\$ _____

5. Policies N/A

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

6. Other Disclosures Required for Investments N/A

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____
 - 2. Description of the terms of the agreement _____
- e. Losses during the year due to default by counterparties to deposit or investment transactions _____

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005**

- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____

- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____

- j. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close), of the securities to be repurchased _____
- l. *Description of the terms of the agreements to repurchase* _____

- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____

- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____

- p. Basis for determining which investments, if any, are reported at amortized cost _____

- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____

- r. *Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares* _____

- s. Any involuntary participation in an external investment pool _____

STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005

- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2005						
	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 7/1/2004	Additions	Transfers*	Retirements	Balance 6/30/2005
Capital assets not being depreciated							
Land	\$ 16,000	\$	\$ 16,000	\$	\$	\$	\$ 16,000
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated	\$ 16,000	\$ --	\$ 16,000	\$ --	\$ --	\$ --	\$ 16,000
Other capital assets							
Furniture and office equipment	\$ 32,563	\$	\$ 32,563	\$ 35,476	\$	\$	\$ 68,039
Less accumulated depreciation	(23,896)		(23,896)	(9,473)			(33,369)
Total furniture and office equipment	8,667	--	8,667	26,003	--	--	34,670
Buildings and improvements	1,667,771		1,667,771				1,667,771
Less accumulated depreciation	(373,762)		(373,762)	(72,382)			(446,144)
Total buildings and improvements	1,294,008	--	1,294,008	(72,382)	--	--	1,221,627
Machinery and equipment	2,904,008		2,904,008	240,264		(62,131)	3,082,140
Less accumulated depreciation	(2,086,398)		(2,086,398)	(204,650)		38,221	(2,252,827)
Total machinery and equipment	817,609	--	817,609	35,614	--	(23,910)	829,313
Vehicles	869,500		869,500	94,767			964,267
Less accumulated depreciation	(687,881)		(687,881)	(80,789)			(768,669)
Total vehicles	181,620	--	181,620	13,978	--	--	195,598
Total other capital assets	\$ 2,301,904	\$ --	\$ 2,301,904	\$ 3,213	\$ --	\$ (23,910)	\$ 2,281,207
Capital Asset Summary:							
Capital assets not being depreciated	\$ 16,000	\$ --	\$ 16,000	\$ --	\$ --	\$ --	\$ 16,000
Other capital assets, at cost	5,473,841	--	5,473,841	370,507	--	(62,131)	5,782,217
Total cost of capital assets	5,489,841	--	5,489,841	370,507	--	(62,131)	5,798,217
Less accumulated depreciation	(3,171,937)	--	(3,171,937)	(367,294)	--	38,221	(3,501,010)
Capital assets, net	\$ 2,317,904	\$ --	\$ 2,317,904	\$ 3,213	\$ --	\$ (23,910)	\$ 2,297,207

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

E. INVENTORIES N/A

The BTA's inventories are valued at _____ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.**

F. RESTRICTED ASSETS N/A

Restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current assets section on Statement A, consisting of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type investments held.) State the purpose of the restrictions: _____.

G. LEAVE

1. COMPENSATED ABSENCES

The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure when leave is actually taken. The cost of leave privileges not requiring current resources is recorded for governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$212,440.

2. COMPENSATORY LEAVE

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. *There was no accrued compensatory leave time accrued at June 30, 2005.*

H. RETIREMENT SYSTEM

Substantially all of the employees of the District (BTA) are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time District (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

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 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

Members are required by state statute to contribute 7.5% of gross salary, and the District (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. That rate for the year ended June 30, 2005, was 15.8%. Contributions to the System for the years ended June 30, 2005, 2004 and 2003, were \$282,489, \$232,770 and \$192,202.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly premiums at 50% District and 50% retired person. The cost is recognized as an expenditure when paid and was \$171,578.10 for the year ended June 30, 2005. There are 31 retirees and 7 surviving spouses participating.

J. LEASES

1. OPERATING LEASES

The District does not have any operating or capital leases.

<u>Nature of lease</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011- 2015</u>	<u>FY2016- 2020</u>
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
Total	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>

2. CAPITAL LEASES N/A

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30 :</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30:	Total
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

3. LESSOR DIRECT FINANCING LEASES N/A

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

Collectibility of the minimum lease payments is reasonably predictable.

No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____	-	
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____	-	
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____	-	

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total	\$ _____ -

4. LESSOR – OPERATING LEASE N/A

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2020, please create additional columns and report these future minimum lease payment receivables in five year increments.)

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 Notes to the Financial Statement
 As of and for the year ended June 30, 2005**

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2006	\$	\$	\$	\$	\$ -
2007					-
2008					-
2009					-
2010					-
2011-2015					-
2016-2020					-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Current year lease revenues received in fiscal year _____ totaled \$ _____.

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2005:

	Year ended June 30, 2005		Balance June 30, 2005	Amounts due within one year
	Balance June 30, 2004	Additions		
Bonds and notes payable:				
Notes payable	\$	\$	\$	\$ --
Reimbursement contracts payable				--
Bonds payable				--
Total notes and bonds	--	--	--	--
Other liabilities:				
Contracts payable				--
Compensated absences payable	197,988	110,660	96,207	212,441
Capital lease obligations				--
Liabilities payable from restricted assets				--
Claims and litigation				--
Other long-term liabilities				--
Total other liabilities	197,988	110,660	96,207	212,441
Total long-term liabilities	\$ 197,988	\$ 110,660	\$ 96,207	\$ 212,441

L. LITIGATION

There is no litigation that would require disclosure in this report.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ _____ -	\$ _____ -

The _____ (BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement): _____

- 2. Claims and litigation costs of \$ _____ were incurred in the current year and are reflected in the accompanying financial statement.

M. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

N. ACCOUNTING CHANGES N/A

Accounting changes made during the year involved a change in accounting _____ (principle, estimate, error or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS N/A

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

P. DEFEASED ISSUES n/A

In _____, 20____, the _____ (BTA), issued \$ _____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ _____, plus an additional \$ _____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an

**STATE OF LOUISIANA
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Notes to the Financial Statement

As of and for the year ended June 30, 2005

escrow deposit agreement dated _____, _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$ _____.

Q. COOPERATIVE ENDEAVORS N/A

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding for fiscal year ending June 30, 2005, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance June 30, 2005</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2005. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2004. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

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

**STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2004-2005:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____ -

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

At June 30, 20__, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____. The _____ (BTA) did _____ to correct this deficiency.

T. SHORT-TERM DEBT N/A

The _____ (BTA) issues short-term notes for the following purpose(s) _____.

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of S-T debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The _____ (BTA) uses a revolving line of credit for the following to finance _____ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

Line of credit	Beginning Balance	Draws	Redeemed	Ending Balance
	\$ _____	\$ _____	\$ _____	\$ _____ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2005, were as follows:

**STATE OF LOUISIANA
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Notes to the Financial Statement

As of and for the year ended June 30, 2005

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Flood Protection	\$ -	\$ 7,725	\$ -	\$ 46,158	\$ 53,883
					-
Gross receivables	\$ -	\$ 7,725	\$ -	\$ 46,158	\$ 53,883
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ 7,725	\$ -	\$ 46,158	\$ 53,883
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2005, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Flood Protection	\$ 20,940	\$ 32,470	\$ -	\$ -	\$ 53,410
					-
Total payables	\$ 20,940	\$ 32,470	\$ -	\$ -	\$ 53,410

W. SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

X. SEGMENT INFORMATION N/A

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment _____.

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	-	-
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	-	-
Beginning net assets	_____	_____
Ending net assets	-	-

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

- C. Condensed statement of cash flows:
- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
 - (2) Beginning cash and cash equivalent balances
 - (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

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

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)**

Notes to the Financial Statement

As of and for the year ended June 30, 2005

Total transfers to other funds _____ \$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

The following adjustments were made to restate beginning net assets for June 30, 20__.

Ending net assets July 1, 2004, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, July 1, 2004, <u>As restated</u>
\$ _____	\$ _____	\$ _____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 For the Year Ended June 30, 2005

<u>Name</u>	<u>Amount</u>
Alexander, Sr., Gerald	\$ 2,700
Brignac, Ray J.	2,700
Flynn, Bill	2,925
Grezaffi, John	1,800
Grimmett, Bradley	2,700
Hebert, Daniel H.	1,800
Judice, Jackie P.	2,025
Juge, Stephen	1,875
Longman, Ralph R.	1,425
Marionneaux, Harry	3,075
Matherne, Earl J.	2,700
Raymond, John T.	1,800
Rockforte, Nickie W.	1,575
	\$ <u>29,100</u>

STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2005

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
<i>Total</i>	\$ <u>_____</u>

STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
 June 30, 2005

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>

*Send copies of new amortization schedules

STATE OF LOUISIANA
ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
SCHEDULE OF BONDS PAYABLE
 June 30, 2005

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>

*Send copies of new amortization schedules

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2005**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 2005**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2006	\$ _____	\$ _____	\$ _____	\$ _____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2020	_____	_____	_____	_____ --
2011-2015	_____	_____	_____	_____ --
2016-2020	_____	_____	_____	_____ --
2021-2025	_____	_____	_____	_____ --
2026-2030	_____	_____	_____	_____ --
 Total	 \$ <u>_____</u> --	 \$ <u>_____</u> --	 \$ <u>_____</u> --	 \$ <u>_____</u> --

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 SCHEDULE OF NOTES PAYABLE AMORTIZATION**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011-2015	_____	_____
2016-2020	_____	_____
2021-2025	_____	_____
2026-2030	_____	_____
 Total	 \$ _____ --	 \$ _____ --

**STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)
 SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2005**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
 ATCHAFALAYA BASIN LEVEE DISTRICT (BTA)

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 \$1 million, explain the reason for the change.

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 4,366	\$ 4,248	\$ 118	\$ 3%
Expenses	3,959	3,694	265	7%
2) Capital assets	2,297	2,319	(22)	
Long-term debt			-	
Net Assets	10,400	9,993	407	4%
Explanation for change:	_____			

