

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**
Benton, Louisiana

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 7/28/10

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**

December 31, 2009

Table of Contents

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report	-	-	1
Management's Discussion And Analysis	-	-	3
Government Wide Financial Statements			
Statement of Net Assets	A	-	8
Statement of Activities	B	-	9
Fund Financial Statements			
Balance Sheet-Governmental Funds	C	-	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	-	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	-	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	F	-	13
Notes to the Financial Statements	-	-	14
Required Supplementary Information			
Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds-Budget (GAAP Basis) and Actual	-	1	21
Supplemental Information Schedules			
Schedule of Compensation Paid Commissioners	-	2	22
Other Reports Required by Government Auditing Standards			
Independent Auditor's Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	-	-	23
Summary Schedule of Prior Findings	-	-	25
Schedule of Current Period Audit Results and Findings	-	-	25

INDEPENDENT AUDITOR'S REPORT



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cypress-Black Bayou Recreation and
Water Conservation District
Benton, Louisiana

I have audited the basic financial statements of Cypress-Black Bayou Recreation and Water Conservation District as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Cypress-Black Bayou Recreation and Water Conservation District as of December 31, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis presented on pages 3 through 7 and the budgetary information on page 22 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The accompanying supplemental information listed in the table of contents as other 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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated June 29, 2010 on my consideration of Cypress-Black Bayou Recreation and Water Conservation District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Marsha D. Milheim

Certified Public Accountant
June 29, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
135 Cypress Park Drive
Benton, Louisiana 71006**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Cypress-Black Bayou Recreation and Water Conservation District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

Governmental Activities

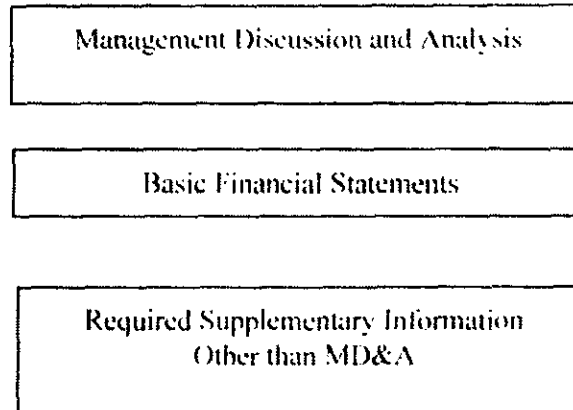
- A. The District had cash of \$129,458 at December 31, 2009, which represents an increase of \$17,782 from prior year end.
- B. The District had accounts receivable of \$802,275 at December 31, 2009 which represents an increase of \$52,488 from prior year end.
- C. The District had accounts payable and accruals of \$97,591 at December 31, 2009 which represents a decrease of \$11,598 from prior year end.
- D. The District had total revenues of \$1,357,016 for the year ended December 31, 2009 which represents an increase of \$25,448 from prior year end.
- E. The District had property tax revenues of \$776,063 for the year ended December 31, 2009 which represents an increase of \$54,996 from prior year.
- F. The District had total expenses of \$1,478,098 for the year ended December 31, 2009 which represents an increase of \$26,092 from prior year end.
- G. The District had capital asset purchases of \$17,498 for the year ended December 31, 2009 which represents an increase of \$149,701 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the District as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)



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

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

Fund financial statements start on page 10. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009**

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 931,733	\$ 861,463
Capital assets, net	<u>3,461,468</u>	<u>3,669,414</u>
Total Assets	<u>4,393,201</u>	<u>4,530,877</u>
Other liabilities	134,128	109,180
Long-term liabilities	<u>0</u>	<u>0</u>
Total Liabilities	<u>134,128</u>	<u>109,180</u>
Net assets		
Investment in capital assets, net of related debt	3,461,468	3,669,414
Restricted	56,194	53,555
Unrestricted	<u>741,411</u>	<u>698,728</u>
Total Net Assets	<u>\$ 4,259,073</u>	<u>\$ 4,421,697</u>

Net assets of the District decreased by \$162,624 or 3.67% from the previous fiscal year. The decrease is the result of expenses exceeding operating and non-operating revenues during the fiscal year ended 2009 (see table below).

Statement of Activities
For the Year Ended

	<u>2009</u>	<u>2008</u>
General government expenses	\$ (1,478,098)	\$ (1,452,006)
Program revenues		
Charges for services	552,400	553,194
Operating and capital grants and contributions	<u>0</u>	<u>54,000</u>
Subtotal	<u>(925,698)</u>	<u>(844,812)</u>
General revenues and transfers	<u>804,616</u>	<u>775,270</u>
Change in net assets	<u>\$ (121,082)</u>	<u>\$ (69,542)</u>

The District's total revenues decreased by \$25,448 or 1.36% from the previous year. The total cost of all programs and services increased by \$26,092 or 1.8% from the previous year.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the District had \$3,461,468, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$207,946 or 6.67% from the previous year.

Capital Assets at Year End (Net of Depreciation)		
	<u>2009</u>	<u>2008</u>
Land	\$ 710,000	\$ 710,000
Buildings	353,616	388,190
Dams, spillways, and other improvements	2,345,016	2,495,394
Equipment	<u>52,836</u>	<u>75,830</u>
	\$ 3,461,468	\$ 3,669,414

This year's major additions included:

Improvements	\$ 15,398
Equipment	<u>2,100</u>
Total	\$ 17,498

This year's major retirements included:

Improvements	\$ 0
Equipment	<u>5,246</u>
Total	\$ 5,246

Debt

The District had no debt payable at year end 2009 or 2008.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$69,466 more than budgeted amounts due to ad valorem taxes, permits, leases, and fees being more than expected.

Actual expenditures were \$14,573 less than budgeted amounts due to the District spending less than budgeted amounts for culture and recreation.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

1. Ad valorem taxes
2. Permits, leases, and fees
3. Projects under consideration
4. Intergovernmental revenues (state and local grants)

The District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE CYPRESS-BLACK BAYOU RECREATION AND WATER CONSERVATION DISTRICT'S MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Jon Walden, Executive Director, 135 Cypress Park Drive, Benton, Louisiana 71006.

FINANCIAL STATEMENTS

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

ASSETS	
Current Assets	
Cash	\$ 129,458
Accounts receivable	<u>802,275</u>
Total Current Assets	931,733
Noncurrent Assets	
Capital assets, net	<u>3,461,468</u>
Total Assets	<u>4,393,201</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accruals	97,591
Deferred revenue	<u>36,537</u>
Total Current Liabilities	<u>134,128</u>
Noncurrent Liabilities	
Compensated absences payable	<u>0</u>
Total Liabilities	<u>134,128</u>
NET ASSETS	
Investment in capital assets, net of related debt	3,461,468
Restricted	56,194
Unrestricted	<u>741,411</u>
Total Net Assets	<u>\$ 4,259,073</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

CYPRESS-BLACK BAYOU RECREATION AND
WATER RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
General Government	\$ 188,018	\$ 0	\$ 0	\$ 0	\$ (188,018)
Culture and Recreation	1,064,636	552,400	0	0	(512,236)
Depreciation	<u>225,444</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(225,444)</u>
Total Governmental Activities	<u>\$ 1,478,098</u>	<u>\$ 552,400</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(925,698)</u>
General Revenues					
Taxes					776,063
State revenue sharing					26,329
Intergovernmental					0
Interest income					<u>2,224</u>
Total General Revenues					<u>804,616</u>
Change in Net Assets					(121,082)
Net Assets, Beginning of year					4,421,697
Changes to Beginning Net Assets					<u>(41,542)</u>
Net Assets, End of year					<u>\$ 4,259,073</u>

The accompanying notes are an integral part of this statement.

CYPRESS-BLACK BAYOU RECREATION AND
WATER RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

ASSETS	
Cash	\$ 129,458
Accounts Receivable	<u>802,275</u>
Total Assets	<u>\$ 931,733</u>
LIABILITIES AND FUND BALANCE:	
Liabilities	
Accounts payable and accruals	\$ 97,591
Deferred revenue	<u>36,537</u>
Total Liabilities	134,128
Fund Balance	
Restricted	56,194
Unrestricted	<u>741,411</u>
Total Fund Balance	<u>797,605</u>
Total Liabilities and Fund Balance	<u>\$ 931,733</u>

The accompanying notes are an integral part of this statement.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER RECREATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

Total Fund Balances for Governmental Funds (Exhibit C)	\$	797,605
--------------------------------------------------------	----	---------

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	710,000	
Buildings, net of \$875,393 in accumulated depreciation		353,616	
Dams, spillways, and other improvements, net of \$7,513,775 in accumulated depreciation		/	
Equipment, furniture, and fixtures, net of \$524,870 of accumulated depreciation		2,345,016	
		52,836	
Total Capital Assets			3,461,468

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. Those liabilities consist of:

Long-term debt		0	
Total Long-term Liabilities			0

Total Net Assets of Governmental Activities (Exhibit A)	\$	4,259,073
---------------------------------------------------------	----	------------------

The accompanying notes are an integral part of this statement

CYPRESS-BLACK BAYOU RECREATION AND
WATER RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES GOVERNMENTAL FUNDS
DECEMBER 31, 2009

REVENUES	
Taxes	\$ 776,063
State revenue sharing	26,329
Permits, leases, and fees	552,400
Grant	0
Intergovernmental	0
Interest income	<u>2,224</u>
Total Revenues	1,357,016
EXPENDITURES	
General government	188,018
Culture and recreation	1,064,636
Capital outlays	<u>17,498</u>
Total Expenditures	<u>1,270,152</u>
Excess/(Deficiency) of Revenues Over Expenditures	86,864
Fund Balance, Beginning of year	752,283
Changes in Beginning Net Assets	<u>(41,542)</u>
Fund Balance, End of year	<u>\$ 797,605</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

CYPRESS-BLACK BAYOU RECREATION AND
 WATER RECREATION DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009

Net Change in Fund Balance-Total Governmental Funds (Exhibit E) \$ 86,864

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$17,498) exceeds depreciation (\$225,444) in the current period.

(207,946)

Change in Net Assets of Governmental Activities (Exhibit B)

\$ (121,082)

The accompanying notes are an integral part of this statement

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

The Cypress-Black Bayou Recreation and Water Conservation District was created by Act 292 of 1958 to develop the wealth and natural resources of the District by conserving water for agricultural, municipal, recreational, commercial, industrial, and sanitary purposes. The District is comprised of a board of five commissioners, one each appointed by the Bossier Parish Police Jury, the Bossier Parish School Board, the mayor and governing authority of the City of Bossier City, the mayor and governing authority of the Town of Benton, and the Bossier Levee District.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special purpose government that has a separate appointed governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt and has a component unit over which it exercises oversight responsibility.

The financial statements present the District (the primary government) and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational or financial relationship with the District.

CYPRESS-BLACK BAYOU ZOOLOGICAL GARDEN ASSOCIATION, INC.

The Cypress-Black Bayou Zoological Garden Association, Inc. (Zoo) was incorporated on March 24, 1995 as a nonprofit corporation under the laws of the State of Louisiana and has been approved by the Internal Revenue Service as a Sec 501(c)(3) corporation for the purpose of soliciting grants and donations for the operation of a children's petting zoo. The members of the Zoo's Board of Directors consists of the individuals that comprise the District's Board of Commissioners and has a volunteer advisory Board, therefore, it has been blended with the District's financial statement.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government - Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, state revenue sharing, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time of purchase.

The District reports the following governmental funds:

Governmental Funds

Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt.

General Fund - is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

Consistent with GASB Statement 9, the District defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

H. Compensated Absences

Full-time employees earn annual leave from one to three weeks each year, based upon their length of employment. Hourly-wage employees, who work less than full-time, earn annual leave based on the average time worked. Upon termination, employees are paid for accumulated annual leave. Subject to availability of funds, employees are authorized sick leave with pay at the supervisor's discretion and with a doctor's certificate.

At December 31, 2009, employee leave benefits requiring recognition in accordance with GASB Codification Section C60 were determined to be immaterial.

I. Estimates

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

NOTE 2. LEVIED TAXES

The District levies taxes on real and business personal property located within its boundaries. The Bossier Parish Tax Assessor assesses the property values and prepares the District's tax roll. The Bossier Parish Sheriff bills and collects the taxes. Ad valorem taxes are levied on October 31 and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year.

Ad valorem tax revenue is recognized in the year of assessment less collections received 60 days after the end of the fiscal year, which such collections are recorded as deferred revenue. The current year's assessment less any payments received prior to year end is recorded as Ad Valorem Taxes Receivable and Deferred Revenue.

The following is a summary of authorized and levied ad valorem taxes as of December 31, 2009:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Operation and Maintenance	1.41	1.41	2014

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, and time deposits. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Board of Commissioners. Further the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

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 of deposit with the fiscal agent bank. These pledged 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. The deposits at December 31, 2009 were secured as follows:

	<u>Cash</u>	<u>Certificate of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$129,458	\$ 0	\$129,458
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$129,458	\$ 0	\$129,458
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	0	0	0
3. Uncollateralized, including any securities held for the entity but not in entity's name	0	0	0
Total	\$129,458	\$ 0	\$129,458

B. Investments

At December 31, 2009 the District had investments of \$0.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 4. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2009:

	Governmental Activities
Taxes	
Ad valorem	\$771,724
State revenue sharing	17,552
Other	12,999
Total	\$802,275

NOTE 5. CAPITAL ASSETS

A summary of the District's capital assets at December 31, 2009 follows:

	Balance Dec 31 2008	Additions	Retirements	Balance Dec. 31 2009
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 710,000	0	0	710,000
Total Capital Assets, not being depreciated	710,000	0	0	710,000
Capital Assets, being depreciated				
Buildings	1,229,009	0	0	1,229,009
Less accumulated depreciation	(840,819)	(34,574)	0	(875,393)
Total Buildings	388,190	(34,574)	0	353,616
Dams, spillways, and other improvements	9,843,393	15,398	0	9,858,791
Less accumulated depreciation	(7,347,999)	(165,776)	0	(7,513,775)
Total Dams, Spillways, and Other Improvements	2,495,394	(150,378)	0	2,345,016
Equipment, furniture and fixtures	580,852	2,100	(5,246)	577,706
Less accumulated depreciation	(505,022)	(25,004)	5,246	(524,870)
Total Equipment, Furniture and Fixtures	75,830	(22,904)	0	52,836
Total Capital Assets, being depreciated	2,959,414	(207,946)	0	2,751,468
Governmental Activities				
Total Capital Assets, net	\$ 3,669,414	(207,946)	0	3,461,468

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT**
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 6. PENSION PLAN

Substantially all employees of the District are members of the Social Security System. In addition to the employee contribution withheld at 7.65 percent of gross salary for the year ended December 31, 2009, the District contributes an equal amount to the Social Security System. Aggregate pension cost for 2009 was \$32,032. The District does not guarantee the benefits granted by the Social Security System.

NOTE 7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District has no retired employees as of December 31, 2009.

NOTE 8. LEASES

The District was not obligated under any capital or operating lease commitments at December 31, 2009.

NOTE 9. RISK MANAGEMENT

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

NOTE 10. LITIGATION

There was no outstanding litigation against the District at December 31, 2009.

NOTE 11. CHANGE IN BEGINNING NET ASSETS

The recognition of ad valorem tax revenue was changed to recognize deferred revenue in the amount of uncollected current year taxes as of 60 days after year end, therefore requiring an adjustment to Beginning Net Assets in the amount of \$41,542.

**CYPRESS-BLACK BAYOU RECREATION AND
WATER RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR DECEMBER 31, 2009**

	Original Budget	Amended Budget	Actual	Variance Fav./Unfav.)
Revenues				
Taxes				
Ad valorem	\$ 675,000	\$ 710,000	\$ 776,063	\$ 66,063
Intergovernmental	24,000	24,000	26,329	2,329
Permits, Leases, and Fees	604,700	550,550	552,400	1,850
Grant	0	0	0	0
Interest	15,000	3,000	2,224	(776)
Total Revenues	1,318,700	1,287,550	1,357,016	69,466
Expenditures				
General government	157,400	158,400	188,018	(29,618)
Culture and recreation	1,111,300	1,112,325	1,064,636	47,689
Grant	0	0	0	0
Capital outlay	50,000	14,000	17,498	(3,498)
Total Expenditure	1,318,700	1,284,725	1,270,152	14,573
Excess/(Deficiency of Revenues Over Expenditures	0	2,825	86,864	84,039
Other Financing Sources/(Uses)	0	0	0	0
Net Change in Fund Balance	0	2,825	86,864	84,039
Fund Balance, Beginning of year	752,283	752,283	752,283	0
Changes in Beginning Net Assets	(41,542)	(41,542)	(41,542)	0
Fund Balance, End of year	\$ 710,741	\$ 713,566	\$ 797,605	\$ 84,039

Supplementary information. Presented as additional analytical data

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Schedule of Compensation Paid Commissioners
For the Year Ended December 31, 2009

COMPENSATION PAID COMMISSIONERS

This schedule of compensation paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 38:2605, the commissioners are entitled to receive, out of available funds of the District, a per diem allowance of \$40 for each meeting of the District that they attend, but no such allowance shall be paid for more than 36 meetings in any calendar year.

	<u>NUMBER</u>	<u>AMOUNT</u>
Wesley Burdine	13	\$ 520
Ernest Covington	11	440
Sonny Head	12	480
Jerry Juneau	11	440
Ralph Whitley	10	400
Total		\$2,280

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Commissioners
Cypress-Black Bayou Recreation and
Water Conservation District
Benton, Louisiana

I have audited the financial statements of Cypress - Black Bayou Recreation and Water Conservation District of and for the year ended December 31, 2009, and have issued my report thereon dated June 29, 2010. I conducted my 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control. My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

This report is intended solely for the information and use of management, the Board of Commissioners, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Maucha D. Millican

Certified Public Accountant
June 29, 2010

**CYPRESS -BLACK BAYOU RECREATION AND
WATER RECREATION DISTRICT**

December 31, 2009

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the period ending December 31, 2008.

Schedule of Current Period Audit Findings

- 1. The auditor's report expresses an unqualified opinion on the financial statements.**
- 2. No significant deficiencies in internal accounting control were disclosed during the audit.**
- 3. No instances of noncompliance material to the financial statements were disclosed during the audit.**

There were no findings or management letter comments for the period ending December 31, 2009.