

ATCHAFALAYA BASIN LEVEE DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED June 30, 1995

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues:</b>					
Ad valorem taxes and interest	\$2,343,373	\$2,686,231	\$941,908	\$1,005,852	\$63,944
State revenue sharing	248,269	255,825	108,867	106,868	(1,999)
Permits and fees	4,500	9,333			
Royalties and leases	174,000	309,648			
Interest on accounts and investments	97,000	136,923	6,100	4,074	(2,026)
Sale of used equipment	50,000	94,355			
Other revenues	11,500	11,700			
<b>Total Revenues</b>	<b>2,928,642</b>	<b>3,504,015</b>	<b>1,056,875</b>	<b>1,116,794</b>	<b>59,919</b>
<b>Expenditures:</b>					
<b>Current -</b>					
Public safety - flood control -					
Salaries - president	12,000	12,000			
Per diem - commissioners	49,000	37,050			11,950
Salaries - administrative	199,700	205,887			(6,187)
Salaries - police officers		83,600			(83,600)
Salaries - levee maintenance	1,190,000	1,036,156			153,844
Employee insurance and retirement	516,500	520,968			(4,468)
Professional services	35,600	44,016			(8,416)
Travel	44,600	41,028			3,572
Material and supplies	380,000	321,010			58,990
Insurance	223,000	233,285			(10,285)
Office expense	43,000	47,649			(4,649)
Right of way purchase	1,000				1,000
Other	17,350	26,066			(8,716)
Deductions from ad valorem taxes		97,548			(97,548)
Capital outlays -					
Public safety - flood control	300,000	361,960			(61,960)
<b>Total Public Safety</b>	<b>3,011,750</b>	<b>3,068,223</b>	<b>45,785</b>	<b>54,339</b>	<b>(8,554)</b>
Intergovernmental	404,371	183,919			220,452
<b>Total Expenditures</b>	<b>3,416,121</b>	<b>3,252,142</b>	<b>508,570</b>	<b>585,564</b>	<b>(31,209)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(487,479)</b>	<b>251,873</b>	<b>502,520</b>	<b>531,230</b>	<b>28,710</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	502,520				(502,520)
Operating transfers out					
<b>Excess of Revenues and Sources over Expenditures and Uses</b>	<b>15,041</b>	<b>251,873</b>		<b>531,230</b>	<b>531,230</b>
Fund Balance - July 1	53,324	3,755,976			3,702,652
<b>FUND BALANCE - June 30</b>	<b>\$68,365</b>	<b>\$4,007,849</b>		<b>\$531,230</b>	<b>\$531,230</b>

The accompanying notes are an integral part of this statement.

**ATCHAFALAYA BASIN LEVEE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 1996 and 1995**

**NOTE 4 - CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets follows:

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance - July 1, 1994	\$302,983	\$356,293	\$3,075,084	\$3,734,360
Adjustment of amounts to market value	(238,408)	70,004		(168,404)
Adjustment of amounts for donated assets		431,840		431,840
Additions - purchases			361,960	361,960
Deletions - sales			(241,055)	(241,055)
Balance - June 30, 1995	64,575	858,137	3,195,989	4,118,701
Additions - purchases			440,169	440,169
Deletions - sales			(445,283)	(445,283)
Balance - June 30, 1996	<u>\$64,575</u>	<u>\$858,137</u>	<u>\$3,190,875</u>	<u>\$4,113,587</u>

**NOTE 5 - AD VALOREM TAXES**

Article 6, Section 39 of the 1974 Louisiana Constitution provides that the District may levy an annual tax not to exceed 5.00 mills to construct and maintain levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto. If the District needs to raise additional funds in excess of the amount authorized by the constitution, the taxes in excess of 5.00 mills must be approved by a majority vote of the electors of the parishes.

The District has levied a 4.18 millage for the years 1994 and 1995. The rates authorized and levied have been adjusted because of reassessment of property as provided in Article 7, Section 23 of the 1974 Louisiana Constitution.

**ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 1996 and 1995**

Designated for Road Maintenance -- management with the concurrence of the Board has designated \$5,000 per year to help defray a portion of future maintenance expenses of a road from the George Dupuis Bridge to the Pontoon Bridge in St. Martin Parish.

Designated for Emergency Flood Fighting -- management with the concurrence of the Board has designated portions of the fund equity for contingent emergency flood fighting purposes.

Total Columns on Combined Statement

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. This data does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE 3 - CASH**

At June 30, 1996, the District has cash (book balances) totaling \$5,700,406 as follows:

Petty cash	\$200
Demand deposits	850,206
Certificates of deposit	4,850,000
Total	\$5,700,406

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial banks that is mutually acceptable to both parties. At June 30, 1996, the District has \$5,691,667 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance \$3,265,000 and \$5,299,148 in pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 1996 and 1995

Fixed Assets

Fixed assets consisting of movable property are stated at purchased historical cost. Land and buildings are recorded at fair market value since historical cost is not available. Donated fixed assets, which comprise less than one percent of total assets, are valued at their fair market value on the date donated. The cost of additions includes contracted work, direct labor, materials and allowable costs. Significant additions, improvements, maintenance and repairs are capitalized. Assets are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Assets Account Group.

Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including drainage improvements, are not capitalized with other general fixed assets.

No depreciation has been provided on general fixed assets.

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually taken. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

Postemployment Health Care and Life Insurance Benefits

The District provides certain continuing health care and life insurance benefits for its retired employees. The District recognizes the cost of providing these retiree benefits as an expenditure when paid during the year.

Fund Equity

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations. Reservations and designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance are summarized below.

ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 1996 and 1995

*Expenditures*

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which is recognized when paid.

*Other Financing Sources (Uses)*

Other financing sources (uses), representing transfers between funds that are not expected to be repaid.

Budget Practices

The District prepares its budget in accordance with LSA-R.S. 38:318. The budget is prepared on a modified accrual basis for the General and Special Revenue Funds. The budgets as presented are as originally adopted with no amendments. Formal budget integration is employed as a management control device during the year. All appropriations lapse at year end, and any encumbrances outstanding at year end are included in the next year's budget with funds appropriated in that year to finance them.

Encumbrances

The District does not follow the encumbrance method of accounting.

Cash

Cash includes petty cash, demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the District may deposit funds with a bank organized under Louisiana law or of any other state of the United States, or under the laws of the United States. Furthermore, the District may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Bad Debts

The District uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 1996 and 1995

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

Funds of the District are classified into two fund types.

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 general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund -- the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Fund -- this fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for alleviating tidal flooding in Terrebonne Parish.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parishes) are recorded in the year the taxes are assessed, to the extent that they are available to finance current operations. As provided by Louisiana Revised Statute (LSA-R.S.) 47:1997(b), ad valorem taxes are assessed for the calendar year, become due on December 31st and become delinquent on the subsequent January 1st. The taxes are generally collected in January, February, March and April of each year.

Oil and gas royalties are recorded as revenue when received, which is four to five weeks after the production of the oil or gas.

Substantially all other revenues are recorded when received.

**ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1996 and 1995**

**NOTE 1 - INTRODUCTION**

The Atchafalaya Basin Levee District and its Board of Levee Commissioners was created by Louisiana Revised Statute 38:291. Its Commissioners are appointed by the Governor of Louisiana. The District includes all or portions of the following parishes: Ascension, Assumption, Iberia, Iberville, Lafourche, Pointe Coupee, St. Landry, St. Martin, St. Mary, Terrebonne, and West Baton Rouge. The District primarily provides flood protection for those areas in the District. The Board of Levee Commissioners of the Atchafalaya Basin Levee District administers the operations and responsibilities of the District in accordance with the provisions of Louisiana Revised Statute 38:304. The Atchafalaya Basin Levee District is a component unit of the State of Louisiana and is an integral part of such reporting entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

In April 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 government. The accounting financial statements have been prepared in accordance with such principles.

*Reporting Entity*

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the State of Louisiana. The levee district is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the majority of commissioners and can impose his will upon the levee district. The accompanying financial statements present information only as to the transactions of the Atchafalaya Basin Levee District, a component unit of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

*Fund Accounting*

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

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**ATCHAFALAYA BASIN LEVEE DISTRICT**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**June 30, 1996**

	<u>Governmental Fund Types</u>		<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>General Long Term Debt</u>	
<b>ASSETS</b>					
Cash	\$4,705,567	\$994,839			\$5,700,406
Receivables -					
Accrued interest		18,543			18,543
Property, plant and equipment			\$4,113,587		4,113,587
Amount to be provided for liquidation of compensated absences				\$150,252	150,252
<b>TOTAL ASSETS</b>	<u>\$4,705,567</u>	<u>\$1,013,382</u>	<u>\$4,113,587</u>	<u>\$150,252</u>	<u>\$9,982,788</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accrued liabilities -					
Payroll deductions	\$6,777				\$6,777
Bid bond deposits	800				800
Due to other governmental units -					
South Terrebonne		\$124			124
Compensated absences				\$150,252	150,252
Total Liabilities	<u>7,577</u>	<u>124</u>		<u>150,252</u>	<u>157,953</u>
Fund Equity:					
Investment in general fixed assets			\$4,113,587		4,113,587
Fund balances -					
Designated for Road Maintenance	2,500				2,500
Designated for Emergency Flood Fighting	1,520,000				1,520,000
Unreserved - undesignated	3,175,490	1,013,258			4,188,748
Total Fund Equity	<u>4,697,990</u>	<u>1,013,258</u>	<u>4,113,587</u>		<u>9,824,835</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$4,705,567</u>	<u>\$1,013,382</u>	<u>\$4,113,587</u>	<u>\$150,252</u>	<u>\$9,982,788</u>

The accompanying notes are an integral part of this statement.

**ATCHAFALAYA BASIN LEVEE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 1996 and 1995**

The following is a summary of taxable valuations and taxes assessed by parish for the year 1995:

	Taxable Valuations	Taxes Assessed
Ascension	\$7,002,530	\$29,271
Assumption	47,719,999	199,470
Iberia	13,386,270	55,955
Iberville	130,532,960	545,626
Lafourche	82,132,580	343,314
Pointe Coupee	191,808,273	801,759
St. Landry	8,915,060	37,265
St. Martin	38,206,348	159,704
St. Mary	8,976,711	37,523
Terrebonne	253,635,167	1,060,195
West Baton Rouge	127,175,280	531,593
Total	\$909,491,178	\$3,801,675

**NOTE 6 - INTERGOVERNMENTAL TRANSFERS**

Louisiana Revised Statute 38:331 provides that all of the taxes collected in Terrebonne Parish each year under R.S. 38:404 and 48:421 shall be retained in a separate account (Special Revenue Fund). Annually the District shall remit 50% of the revenues in the separate account to the Parish of Terrebonne for levee construction, levee maintenance, and other flood control work necessary to help alleviate tidal flooding within Terrebonne Parish. The remaining 50% of the revenues shall be used for general operations.

The District appropriated \$150,000 to the Terrebonne Parish Consolidated Government as part of a joint services agreement for the proposed construction of the Bayou Black Flood Control Structure in Terrebonne Parish.

The District appropriated \$33,919 to the Assumption Parish Police Jury for Bayou L'Ourse drainage cleanout which was required due to recurring flooding.

**ATCHAFALAYA BASIN LEVEE DISTRICT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED June 30, 1996**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Revenues:			
Ad valorem taxes and interest	\$2,751,127	\$1,057,567	\$3,808,694
State revenue sharing	252,647	106,641	359,288
Permits and fees	18,365		18,365
Royalties and leases	298,084		298,084
Interest on accounts and investments	137,466	20,546	158,012
Sale of used equipment	156,775		156,775
Other revenues	15,072		15,072
	<hr/>	<hr/>	<hr/>
Total Revenues	3,629,536	1,184,754	4,814,290
Expenditures:			
Current -			
Public safety - flood control -			
Salaries - president	9,069		9,069
Per diem - commissioners	33,975		33,975
Salaries - administrative	218,513		218,513
Salaries - police officers	91,244		91,244
Salaries - levee maintenance	1,075,214		1,075,214
Employee insurance and retirement	550,686		550,686
Professional services	27,467		27,467
Travel	35,571		35,571
Material and supplies	280,449		280,449
Insurance	190,235		190,235
Office expense	49,744		49,744
Right of way purchase	15,105		15,105
Other	15,506		15,506
Deductions from ad valorem taxes	97,677	51,373	149,050
Capital outlays -			
Public safety - flood control	440,169		440,169
	<hr/>	<hr/>	<hr/>
Total Public Safety	3,130,624	51,373	3,181,997
Intergovernmental		560,124	560,124
	<hr/>	<hr/>	<hr/>
Total Expenditures	3,130,624	611,497	3,742,121
Excess of Revenues Over Expenditures	498,912	573,257	1,072,169
Other Financing Sources (Uses):			
Operating transfers in	91,229		91,229
Operating transfers out		(91,229)	(91,229)
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Sources over Expenditures and Uses	590,141	482,028	1,072,169
Fund Balance - July 1	4,007,849	531,230	4,539,079
Elimination of prior year liability	100,000		100,000
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30	<u>\$4,697,990</u>	<u>\$1,013,258</u>	<u>\$5,711,248</u>

The accompanying notes are an integral part of this statement.

design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

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

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September 12, 1996

**ATCHAFALAYA BASIN LEVEE DISTRICT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED June 30, 1995**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Revenues:</b>			
Ad valorem taxes and interest	\$2,686,231	\$1,005,852	\$3,692,083
State revenue sharing	255,825	106,868	362,693
Permits and fees	9,333		9,333
Royalties and leases	309,648		309,648
Interest on accounts and investments	136,923	4,074	140,997
Sale of used equipment	94,355		94,355
Other revenues	11,700		11,700
<b>Total Revenues</b>	<u>3,504,015</u>	<u>1,116,794</u>	<u>4,620,809</u>
<b>Expenditures:</b>			
<b>Current -</b>			
<b>Public safety - flood control -</b>			
Salaries - president	12,000		12,000
Per diem - commissioners	37,050		37,050
Salaries - administrative	205,887		205,887
Salaries - police officers	83,600		83,600
Salaries - levee maintenance	1,036,156		1,036,156
Employee insurance and retirement	520,968		520,968
Professional services	44,016		44,016
Travel	41,028		41,028
Material and supplies	321,010		321,010
Insurance	233,285		233,285
Office expense	47,649		47,649
Other	26,066	5	26,071
Deductions from ad valorem taxes	97,548	54,334	151,882
<b>Capital outlays -</b>			
Public safety - flood control	361,960		361,960
<b>Total Public Safety</b>	<u>3,068,223</u>	<u>54,339</u>	<u>3,122,562</u>
<b>Intergovernmental</b>	<u>183,919</u>	<u>531,225</u>	<u>715,144</u>
<b>Total Expenditures</b>	<u>3,252,142</u>	<u>585,564</u>	<u>3,837,706</u>
<b>Excess of Revenues Over Expenditures</b>	251,873	531,230	783,103
<b>Fund Balance - July 1</b>	<u>3,755,976</u>		<u>3,755,976</u>
<b>FUND BALANCE - June 30</b>	<u>\$4,007,849</u>	<u>\$531,230</u>	<u>\$4,539,079</u>

The accompanying notes are an integral part of this statement.

GEORGE F. DELAUNE  
LEROY J. CIUSTZ\*  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS  
MATERIAL TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

Board of Commissioners of  
Atchafalaya Basin Levee District  
Port Allen, Louisiana

We have audited the general purpose financial statements of the **ATCHAFALAYA BASIN LEVEE DISTRICT** (the "District"), a component unit of the State of Louisiana, as of June 30, 1996, and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated September 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the District is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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*.

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

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September 12, 1996

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**ATCHAFALAYA BASIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**General Purpose Financial Statements  
and Independent Auditors' Reports**

**As of June 30, 1996  
and for the Years Ended June 30, 1996 and 1995**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 02 1996

**GEORGE F. DELAUNE  
LEROY J. CHUSTZ\***  
CERTIFIED PUBLIC ACCOUNTANTS



**ATCHAFALAYA BASIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**General Purpose Financial Statements  
and Independent Auditors' Reports**

**As of June 30, 1996  
and for the Years Ended June 30, 1996 and 1995**

**GEORGE F. DELAUNE  
LEROY J. CHUSTZ\***  
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**ATCHAFALAYA BASIN LEVEE DISTRICT  
525 COURT STREET  
PORT ALLEN, LOUISIANA 70767  
(504) 387-2249**

**GOVERNING BOARD**

<b>PARISH</b>	<b>COMMISSIONER</b>
Ascension	John D. Lewis
Assumption	Earl Matherne
Iberia	Kernis A. Peltier
Iberville	Brian Willis
Iberville	Craig Lewis
Iberville	Ina Del Bush
Lafourche	Rene J. Domangue
Pointe Coupee	James Marionneaux
Pointe Coupee	Wayne Orillion
St Landry	Kenry Colon
St Martin	Chester L. Simon
St Martin	John L. Dugas
St Mary	Merlin Dupre
Terrebonne	J. G. Duplantis
Terrebonne	John W. Woodard
West Baton Rouge	Barbara Gray
West Baton Rouge	Huey P. Brown

**Robert C. Wilkinson, Chief Executive**

**William C. Dupont, Legal Counsel**

**Gordon Robertson, Fiscal Officer**

**MEETING DATES**

**1st Wednesday of Every Month  
5:00 PM - District's Office**

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**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

## PRIOR YEAR AUDIT FINDINGS

### Reimbursement of Travel Expenses

In the prior audit, we noted instances where travel reimbursements were not supported by proper documentation and odometer readings as required by state travel regulations PPM-49.

Management addressed this problem by changing their procedures and reimbursement forms.

### Undersecured/Undercollateralized Funds

On several dates, the demand deposits were undercollateralized in the prior audit.

Management has implemented new procedures where collateralization is reviewed on a monthly basis.

### Inadequate General Fixed Asset Records

Detail records were not available to substantiate the costs for land and buildings.

Management was unable to reconstruct records to substantiate the costs; consequently, they contracted with a real estate appraiser to provide market values as of July 5, 1995.

**ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 1996 and 1995**

**NOTE 7 - COMPENSATED ABSENCES**

At June 30, 1996, employees of the District have accumulated and vested \$150,252 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded in the general long-term obligations account.

**NOTE 8 - POSTEMPLOYMENT HEALTH CARE  
AND LIFE INSURANCE BENEFITS**

Substantially all District employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the District. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and by the District. For 1996 and 1995, the cost of providing those benefits for the 47 retirees totaled \$114,195 and \$100,101 respectively.

**NOTE 9 - RETIREMENT SYSTEM**

Plan Description: Substantially all employees of the District are members of the Louisiana State Employees Retirement System (System), a multiple-employer, public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees and other political subdivisions, which is administered and controlled by a separate board of trustees.

All full-time District employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire 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. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, LA 70804-4213 or by calling (504) 922-0600.

Funding Policy: Covered employees are required by state statute to contribute 7.5% of gross salary to which the District adds an 11.9% contribution as an employer's match. Contributions of participating state agencies are pooled within the System to fund accrued benefits with contribution rates approved by the Louisiana Legislature. The District's contributions to the System for the years ended June 30, 1996, 1995, and 1994, were \$139,452, \$148,772, and 143,754, respectively, equal to the required contributions for each year.

GEORGE F. DELAUNE  
LEROY J. CIUSTZ\*  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS**

Board of Commissioners of  
Atchafalaya Basin Levee District  
Port Allen, Louisiana

We have audited the general purpose financial statements of the **ATCHAFALAYA BASIN LEVEE DISTRICT** (the "District"), a component unit of the State of Louisiana, as of June 30, 1996, and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated September 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of polices and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District for the year ended June 30, 1996 and 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the

ATCHAFALAYA BASIN LEVEE DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED June 30, 1996

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues:</b>					
Ad valorem taxes and interest	\$2,738,665	2,751,127	\$953,311	\$1,057,567	\$104,256
State revenue sharing	251,623	252,647	108,867	106,641	(2,226)
Permits and fees	5,000	18,365			
Royalties and leases	200,000	298,084	6,100	20,546	14,446
Interest on accounts and investments	100,000	137,466			
Sale of used equipment	50,000	156,775			
Other revenues	11,000	15,072			
<b>Total Revenues</b>	<b>3,356,288</b>	<b>3,629,536</b>	<b>1,068,278</b>	<b>1,184,754</b>	<b>116,476</b>
<b>Expenditures:</b>					
<b>Current -</b>					
Public safety - flood control -					
Salaries - president	12,000	9,069			2,931
Per diem - commissioners	49,000	33,975			15,025
Salaries - administrative	255,080	218,513			36,567
Salaries - police officers	79,800	91,244			(11,444)
Salaries - levee maintenance	1,134,900	1,075,214			59,686
Employee insurance and retirement	530,200	550,886			(20,686)
Professional services	37,600	27,467			10,133
Travel	42,600	35,571			7,029
Material and supplies	390,000	280,449			109,551
Insurance	244,000	190,235			53,765
Office expense	63,800	49,744			14,056
Right of way purchase	1,000	15,105			(14,105)
Other	18,350	15,506			2,844
Deductions from ad valorem taxes		97,677			(97,677)
Capital outlays -					
Public safety - flood control	400,000	440,169			(40,169)
<b>Total Public Safety</b>	<b>3,258,330</b>	<b>3,130,624</b>	<b>46,560</b>	<b>51,373</b>	<b>(4,813)</b>
<b>Intergovernmental</b>			<b>513,884</b>	<b>560,124</b>	<b>(46,240)</b>
<b>Total Expenditures</b>	<b>3,258,330</b>	<b>3,130,624</b>	<b>560,444</b>	<b>611,497</b>	<b>(51,053)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>97,958</b>	<b>498,912</b>	<b>507,834</b>	<b>573,257</b>	<b>65,423</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	535,097	91,229	(507,834)	(91,229)	(416,605)
Operating transfers out					
<b>Excess of Revenues and Sources over Expenditures and Uses</b>	<b>633,055</b>	<b>590,141</b>			<b>482,028</b>
Fund Balance - July 1		4,007,849			531,230
Elimination of prior year liability		100,000			
<b>FUND BALANCE - June 30</b>	<b>\$633,055</b>	<b>\$4,697,990</b>		<b>\$1,013,258</b>	<b>\$1,013,258</b>

The accompanying notes are an integral part of this statement.



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**ATCHAFALAYA BASIN LEVEE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 1996 and 1995**

**NOTE 13 - COMPENSATION PAID TO BOARD MEMBERS**

The per diem payments presented below are authorized by Louisiana Revised Statute 38:286 and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board Presidents Carroll Dantin (July 1, 1994 to December 31, 1995) and James Marionneaux (January 1, 1996 to present) are authorized up to a salary of \$1,000 per month or \$12,000 for the year, in lieu of per diem.

		<u>1996</u>	<u>1995</u>
Salaries:	Carroll Dantin	\$6,000	\$12,000
	James Marionneaux	3,069	
		<u>\$9,069</u>	<u>\$12,000</u>
Per Diem:	Huey P. Brown	\$2,175	\$2,700
	Ina Del Bush	1,950	2,250
	Kenry L. Colon	2,625	2,700
	Rene J. Domangue	2,700	2,700
	J. G. Duplantis	1,950	1,350
	Merlin Dupre	2,475	2,250
	Barbara Gray	2,700	2,700
	Pat Huval		2,025
	Craig Lewis	2,625	2,400
	John D. Lewis	2,700	2,625
	James Marionneaux	525	1,275
	Earl J. Matherne	2,700	2,400
	Linton Melancon	225	300
	Wayne Orillion	1,950	1,425
	Kernis A. Peltier	1,725	2,250
	Chester L. Simon	2,700	2,700
	Wildy Templet		75
	Brian Willis	1,875	1,800
	John W. Woodard	375	1,125
		<u>\$33,975</u>	<u>\$37,050</u>
Total Per Diem			

ATCHAFALAYA BASIN LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 1996 and 1995

**NOTE 10 - LITIGATION AND CLAIMS**

The District is involved in various lawsuits and have made no provisions for loss contingencies. The pending cases are as follows:

*The Board of Commissioners of the North Lafourche Conservation, Levee and Drainage District, No. 26,775*, 18th Judicial District, Parish of West Baton Rouge. The case is pending, to be dismissed at plaintiff's cost. It is the opinion of legal counsel that the demand \$1,000,000 will have no financial impact on the District.

*Barry Lee Moore v. Terryco Builders, Inc., No. 23,837*, 18th Judicial District, Parish of West Baton Rouge. The case is pending, plaintiff ordered to amend by Court. It is the opinion of legal counsel that the unspecified demands have no financial impact at this time with minimal end exposure.

*Debbie Beard, et al v. Atchafalaya Basin Levee District and City of Morgan City, LA, No. 97468*, 16th Judicial District, Parish of St. Mary. This is a personal injury claim and responsive pleadings have been filed and discovery has commenced. It is the opinion of legal counsel that the District's liability is extremely doubtful and in any event the District is insured.

**NOTE 11 - ELIMINATION OF PRIOR YEAR LIABILITY**

On February 16, 1996, the Louisiana Supreme Court unanimously affirmed the District Court decision rendered in favor of the District. In summary, the Louisiana Supreme Court has unanimously held that Article VI, Sections 38 and 39 of the Louisiana Constitution of 1974 does not allow the creation of new levee districts within an area of an existing levee district. Accordingly, the Supreme Court has ruled that "*the creation of the North Lafourche Conservation, Levee and Drainage District and providing for the transfer of funds from the Atchafalaya Basin Levee District to the North Lafourche Conservation, Levee and Drainage District is unconstitutional.*" Therefore, the statutory payment liability in the amount of \$100,000 that was on deposit with the court was released.

**NOTE 12 - FEDERAL FINANCIAL ASSISTANCE**

The District received \$8,783 from the Federal Emergency Management Agency for the fiscal year ended June 30, 1995. This revenue is reported as Other Revenues.

GEORGE F. DELAUNE  
LEROY J. CHUSTZ\*  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Board of Commissioners  
Atchafalaya Basin Levee District  
Port Allen, Louisiana

We have audited the accompanying general purpose financial statements of the ATCHAFALAYA BASIN LEVEE DISTRICT (the "District"), a component unit of the State of Louisiana, as of June 30, 1996, and for the years ended June 30, 1996 and 1995, as listed in the Table of Contents. These general purpose financial statements are the responsibility of management of the District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the District as of June 30, 1996, and the results of its operations for the years ended June 30, 1996 and 1995, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 12, 1996, on our consideration of the District's internal control structure and a report dated September 12, 1996, on its compliance with laws and regulations.

*George F. Delaune, CPA*

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September 12, 1996