

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, all applicable Federal and State agencies, and the Legislative Auditors of the State of Louisiana, and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Cassio, Davis & Schmidt

August 11, 1997

James L. Cascio, CPA
Joe E. Davis, CPA
Richard A. Schmidt, CPA

Members
American Institute of CPAs (AICPA)
Public Accountants
State of Louisiana, Chartered
Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

Compliance

We have audited the compliance of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The District's major federal programs are identified in the schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller for General of the United States, and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

This report is intended for the information of the Board of Commissioners, management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana, and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Caccio, Davis & Schmidt

August 11, 1987

FRANCIS D. CASCIO, CPA
JAMES H. DAVIS, CPA
STEWART A. SCHMIDT, CPA

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
INSTITUTIONAL INVESTORS
BOARD OF ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN
AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
West Jefferson Levee District
Monroe, Louisiana

We have audited the financial statements of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 11, 1997. We conducted our audit in accordance with generally accepted auditing standards 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the 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.

SINGLE AUDIT SECTION

	TOTAL BOND AMOUNT	ACCUMULATED DEBT SERVICE REVENUE FISCAL YEAR 1978	CASH RECEIPTS DURING YEAR	ACCUMULATED DEBT SERVICE REVENUE FISCAL YEAR 1977	TOTAL REVENUE RECORDED	TOTAL FEDERAL EXPENDITURES
1.	100	0	1,000	0	1,000	1,000
2.		<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1997

FEDERAL AGENCY/ PROGRAM TITLE	FY97 APPROPRIATION	GRANT PROJECT NUMBER	GRANT PERIOD	
			FROM	TO

DIRECT ASSISTANCE:

U.S. Army Corps of Engineers

Mitigation/Recreation/Control Levees Improvement, D-Well, and Concrete Slaps Parsons Phase III	543000	543000	-	-
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TOTAL DIRECT FEDERAL ASSISTANCE:

OTHER FEDERAL ASSISTANCE:

Pursuant to a "cost cooperative agreement", the District, LA-DCRB and the U.S. Army Corps of Engineers are administering alternative procedures from within the District's budgetary. Of the estimated \$84.8 million project cost, LA-DCRB and the District will provide 75 percent of the cost of final work. The "cost shared" share is to be made up of expenditures, payments, final acquisition, and retention/contingency. Although no direct financial assistance is received, this program will be treated as a "major" program for the purpose of meeting compliance under OMB Circular 4-11.

NOTES TO SCHEDULE:

1. This schedule is prepared on the full accrual GAAP basis of accounting.
2. All revenues and expenditures recognized by the District during fiscal year are reflected on this schedule.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

SCHEDULE OF COMMISSIONERS' PER DIEMS
Year Ended June 30, 1997

NAME	NUMBER OF REGULAR MEETINGS	NUMBER OF EMERGENCY MEETINGS	PER DIEM PAID
Francis Bollier	36	0	1,700
Anthony Caronakis	36	0	1,700
Ron Jones	36	0	1,700
Charles Gentry	36	0	1,700
Byron Lee	36	0	1,700
Philip Levesque	33	0	1,611
Terence Plombon	36	0	1,700
Rita Schelller	33	0	1,611
		0	30,222

In addition, Barry Cahill serves as both the President of the District and a Commissioner. His fee is an annual salary of \$12,000.

SUPPLEMENTAL INFORMATION

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

LABITTE LEVEE - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH
Year Ended June 30, 1997

Project Management		
Board attorney	\$	115
Other consultants		3,550
Levee supplies		112
Bank charges		65
Total Project Management		<u>3,842</u>
Roosters Levee		
Other consultants		3,886
Total Roosters Levee		<u>3,886</u>
Labitte Levee Project		
Other attorneys		33
Total Labitte Levee Project		<u>33</u>
Lamar Coast Bayou		
Services/testing		3,800
Total Lamar Coast Bayou		<u>3,800</u>
Blancas Levee Project		
Personnel		2,141
Equipment rental		8,230
Total Blancas Levee Project		<u>10,371</u>
Orion Drive Project		
Personnel		29,721
Other consultants		48,488
Levee supplies		2,074
Equipment rental		42,204
Total Orion Drive Project		<u>122,487</u>
Fisher Basin Levee		
Board attorney		225
Supervising/testing		17,558
Other consultants		49,058
Total Fisher Basin Levee		<u>66,841</u>
TOTAL EXPENDITURES	\$	<u>244,360</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

WEST OF HARVEY CANAL - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY BEACH (CONTINUED)
Year Ended June 30, 1997

Delmas Village to Highway 43	
Board Attorney	5,150
Other attorney	5,093
Purchases of supplies	(6,274)
	<u>3,969</u>
Total Delmas Village to Highway 43	<u>3,969</u>
Acme Pump to Highway 43	
Board Attorney	3,026
Other attorney	4,816
Insurance and site fees	404
Appraisal fees	6,670
Surveying/grading	670
Other construction	1,689
Fund	(5,000)
	<u>11,671</u>
Total Acme Pump to Highway 43	<u>11,671</u>
Highway 43	
Board Attorney	1,300
Other attorney	20,548
Surveying/grading	200
Other construction	671
	<u>22,719</u>
Total Highway 43	<u>22,719</u>
V Line West	
Board Attorney	11,000
Other attorney	53,700
Appraisal fees	1,800
Surveying/grading	11,620
Construction costs	(275,000)
	<u>(188,880)</u>
Total V Line West	<u>(188,880)</u>
Highway 104 Diversion	
Surveying/grading	2,680
	<u>2,680</u>
Total Highway 104 Diversion	<u>2,680</u>
U Line East	
Other attorney	114
Purchases of supplies	(1,504)
	<u>(1,390)</u>
Total U Line East	<u>(1,390)</u>
Leche Pump Station to Canals	
Board Attorney	1,000
Other attorney	300
Insurance and site fees	73
Construction costs	(461,450)
	<u>(459,177)</u>
Total Leche Pump Station	<u>(459,177)</u>
	<u>1,875,160</u>
TOTAL EXPENDITURES	\$

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

WEST OF HARVEY CANAL - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH
Year Ended June 30, 1997

Fee of Survey	
Board Attorney	\$ 20
Abstract and title fees	900
Other consultants	14,078
Total Fee of Survey	<u>15,098</u>
Estimatee Levee	
Board Attorney	75
Other attorneys	49
Abstract and title fees	4,218
Other consultants	1,000
Total Estimatee Levee	<u>5,342</u>
Project Management	
Board Attorney	11,667
Other attorneys	1,111
Abstract and title fees	383
Other consultants	1,141
Equipment rental	1,180
Travel charges	1,740
Total Project Management	<u>17,322</u>
Company Cost	
Board attorney	1,100
Other attorneys	88
Total Company Cost	<u>1,188</u>
Old Writings to New Writings	
Other attorneys	1,200
Other consultants	1,200
Total Old Writings to New Writings	<u>2,400</u>
New Writings to Orleans Village	
Board attorney	475
Other attorneys	1,517
Abstract and title fees	153
Surveying/levelling	865
Other consultants	180
Recreation costs	21,000
Construction costs	1,079,200
Total New Writings to Orleans Village	<u>2,562,220</u>
Writings (Sight Floodwall)	
Board attorney	1,000
Other attorneys	2,000
Abstract and title fees	10
Total Writings (Sight Floodwall)	<u>3,010</u>

(Continued)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**CAPITAL PROJECT FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1997**

	WEST OF LEVEE'S CANA	MISSISSIPPI RIVER LEVEE	LAFFITE LEVEE	TOTAL
REVENUES				
Federal grants	\$ 0	\$ 75,029	\$ 0	\$ 75,029
State grants	1,176,006	0	0	1,176,006
Fund interest	0	0	0	0
Interest	295,479	246	8,682	304,377
Other	0	0	0	0
TOTAL REVENUES	1,471,512	75,275	8,682	1,555,469
EXPENDITURES				
Levee Construction Projects				
Personnel	0	0	22,937	22,937
Professional Services	648,282	1,123	148,894	800,299
Land and structures	38,799	0	0	38,799
Subsistence costs	32,800	33,428	0	66,228
Construction costs	2,242,828	0	62,979	2,305,807
Other	2,126	68	0	2,194
TOTAL EXPENDITURES	2,964,837	34,619	234,810	3,234,266
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	16,746	4,656	(226,128)	(204,726)
OTHER FINANCIAL SOURCES (USES)				
Operating transfers in	0	0	248,000	248,000
Operating transfers out	0	0	0	0
TOTAL OTHER FINANCIAL SOURCES (USES)	0	0	248,000	248,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				
	16,746	4,656	(78,128)	(56,726)
FUND BALANCES				
Beginning of year	1,176,289	6,084	124,123	1,306,496
Residual equity transfers	0	(16,084)	0	(16,084)
End of year	\$ 1,176,289	\$ (9,998)	\$ 124,123	\$ 1,290,414

WEST BERNARD PARISH DISTRICT
STATE OF LOUISIANA

CAPITAL PROJECT FUNDS
COMBINED BALANCE SHEET
June 30, 1997

	WEST BERNARD PARISH LOCAL	MISSISSIPPI RIVER LEVEE	LEVEE LEVEE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 2,792,614	\$ 3,811	\$ 245,000	\$ 3,041,425
Investments	591,544	0	0	591,544
Due from other funds	\$1,174	10,188	0	11,362
TOTAL ASSETS	\$ 3,475,132	\$ 13,999	\$ 245,000	\$ 3,734,131
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 0	\$ 4,000	\$ 0	\$ 4,000
Due to other funds	194,177	14,040	17,134	225,351
TOTAL LIABILITIES	194,177	18,040	17,134	229,351
FUND EQUITY				
Fund balance:				
Unassigned				
Designated for matching				
Statewide Flood Control	1,114,415	0	0	1,114,415
Designated	0	7,950	17,866	25,816
TOTAL FUND EQUITY	1,114,415	7,950	17,866	1,239,231
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,475,132	\$ 13,999	\$ 245,000	\$ 3,734,131

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and structures.

WEST OF HARVEY CANAL

Used to account for expenditures incurred under a local cooperative agreement between the District, the Louisiana Department of Transportation and Development, and the U.S. Army Corps of Engineers for the construction of a hurricane protection levee system west of the Harvey Canal, east of the Harvey Canal, and in the vicinity of Lake Catacaocha.

MISSISSIPPI RIVER LEVEE

Used to account for the activity and federal funds received for the relocation of pipelines and utilities located along Dams MRB 3 to 99-B of the Mississippi River Levees, Cresta Levee Enlargement, I-Wall Network, and Concrete Slope Placement, Phase II.

LAFFITE

Used to account for the costs incurred by the District in connection with the construction of a flood control levee in and around the town of Jean Lafitte.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

SPECIAL REVENUE FUND
SCHEDULE OF EXPENDITURES
Year Ended June 30, 1997

		<u>EMERGENCY FUND</u>
OFFICE		
Bank charges	\$	50
TOTAL OFFICE		<u>50</u>
PROFESSIONAL SERVICES		
Bond Agency		498
TOTAL PROFESSIONAL SERVICES		<u>498</u>
TOTAL EXPENDITURES	\$	<u>548</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

SPECIAL REVENUE FUND
SCHEDULE OF REVENUES
Year Ended June 30, 1997

		<u>EMERGENCY FUND</u>
INTEREST		
Interest - cash accounts	3	495
Interest - investments		2,627
		<u>3,122</u>
TOTAL INTEREST		<u>3,122</u>
TOTAL REVENUES	4	<u>3,122</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts, or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

EMERGENCY FUND

The Board created an Emergency Fund in 1994 to account for any surplus funds remaining in the General Fund at year end. These funds are to be transferred to the Emergency Fund upon completion of the annual audit. Once transferred, these funds are not available for normal operating activities and can only be expended upon the official declaration of an emergency by the Board.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL (CONTINUED)
Year Ended June 30, 1997

	ACTUAL	APPROX. BUDGET	VARIANCE EXCESS AND (SHORTFALL)
REPAIRS AND MAINTENANCE:			
Administration			
Equipment	\$ 4,700	1,000	\$ (3,700)
Building	2,484	4,000	1,517
Maintenance contract	11,540	11,000	(540)
Contingency	0	0	0
Maintenance			
Building	9,840	4,000	(5,840)
Contingency	60,000	60,000	0
Miscellaneous	502	0	502
Payroll contract	93,121	84,000	(9,121)
Taxes	4,711	4,000	(711)
TOTAL REPAIRS AND MAINTENANCE:	184,802	166,000	18,802
OPERATIONS:			
Telephone	17,000	18,000	1,000
Property and equipment rental	50,444	18,000	32,444
Tuition	17,100	50,000	(32,900)
Fuel	10,400	10,000	(400)
Transport	1,000	1,000	0
Supplies - general	60,000	100,000	(40,000)
Other	100	100	0
TOTAL OPERATIONS:	166,044	209,000	42,956
OTHER:			
Insurance premium	17,000	11,000	6,000
Claims and judgments	0	0	0
Miscellaneous	9,000	9,000	0
Set-aside for contingencies and			
retaining			
Interest	2,000	4,000	(2,000)
Shortfall	1,500	4,000	(2,500)
Retention contract system	60,000	100,000	(40,000)
TOTAL OTHER:	89,500	136,000	46,500
TOTAL - CLASS OF EXPENDITURE:	440,346	491,000	50,654
CAPITAL OUTLAY:			
Equipment	25,000	30,000	5,000
Telecommunications equipment	90,000	50,700	(39,300)
TOTAL CAPITAL OUTLAY:	115,000	80,700	34,300
TOTAL EXPENDITURES:	\$ 555,346	\$ 571,700	\$ 18,646

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
Year Ended June 30, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
FREIGHTS			
Commissioner's per diem	\$ 11,000	\$ 20,000	\$ 9,000
Tuition			
Proctor	11,000	11,000	0
Administration	192,044	222,000	30,000
Maintenance	599,999	540,000	60,000
Health insurance	112,000	400,000	288,000
Business	82,177	70,000	12,177
Travel rates	1,000	1,700	700
Medical equipment	17,778	11,000	6,778
Physician	34	1,000	1,000
Commissioner's life insurance	1,000	1,000	0
TOTAL FREIGHTS	<u>1,024,994</u>	<u>1,646,000</u>	<u>621,006</u>
EMPLOYEE EXPENDITURES			
Toward and associations			
Classroom	1,000	1,400	400
Administration	11,921	11,000	921
Maintenance	200	600	400
Civil service fee	1,744	1,744	0
TOTAL EMPLOYEE EXPENDITURES	<u>14,865</u>	<u>15,744</u>	<u>879</u>
OFFICE			
Advertising	4,000	3,000	1,000
Publications	0	0	0
Travel and subsistence	4,000	2,775	1,225
Printing	2,544	2,575	31
Office supplies	15,000	16,000	1,000
Bank charges	643	600	43
Postage	2,444	4,000	1,556
Automated supplies	2,000	2,000	0
TOTAL OFFICE	<u>26,611</u>	<u>37,300</u>	<u>10,689</u>
PROFESSIONAL SERVICES			
Auditing	61,440	75,000	13,560
Accounting	5,000	5,000	0
Computer consultants	24,000	40,000	16,000
Financial advisory	100	300	200
Oil and gas consultants	4,500	6,000	1,500
Insurance consultants	600	1,000	400
Other consultants	6,000	9,000	3,000
TOTAL PROFESSIONAL SERVICES	<u>103,140</u>	<u>136,300</u>	<u>33,160</u>

(Continued)

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET TO ACTUAL
Year Ended June 30, 1997

	ACTUAL	AMENDED BUDGET	VARIANCE FAVORABLE/ UNFAVORABLE
FEDERAL SOURCES			
FEMA reimbursements	\$ 0	\$ 0	\$ 0
STATE SOURCES			
Revenue sharing	396,880	396,880	0
TRUSTS - levee maintenance	2,278	2,488	(210)
TOTAL STATE SOURCES	399,158	399,368	(210)
PARISH SOURCES			
Ad valorem taxes	2,277,138	2,288,800	16,662
INTEREST			
Interest - cash accounts	10,488	17,000	(6,512)
Interest - investments	5,500	1,000	5,500
TOTAL INTEREST	16,988	18,000	(1,112)
OTHER INCOME			
Oil and gas royalties	171,333	180,000	71,333
Sale of equipment	5,600	30,000	(24,399)
Fossil fuel	47,333	0	47,333
Miscellaneous	8,400	8,000	1,136
TOTAL OTHER INCOME	232,666	218,000	45,666
TOTAL REVENUES	\$ 3,021,438	\$ 2,897,568	\$ 123,870

GENERAL FUND

The General Fund is the principal fund of the District, and is used to account for the financial resources and expenditures not accounted for in any other fund.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 1 - POST-EMPLOYMENT HEALTHCARE BENEFITS

The District provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for these 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 monthly premiums are paid jointly by the employee and the District. The District recognizes the cost of providing these benefits (District's portion of premiums) as an expenditure when paid during the year, which was \$25,000 for the year ended June 30, 1997. The cost of providing these benefits for 3 retirees is not separable from the cost of providing benefits for the 38 active employees.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE K - PENSION PLAN (CONTINUED)

The System was established and provided for within Title 11 of Chapter 403 of the Louisiana Revised Statutes.

Contributions of participating agencies, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8481 United Plaza Boulevard, Baton Rouge, Louisiana 70809.

3. Funding Policy:

In addition to ad valorem and insurance premium taxes that are remitted to the System (which constitute the major funding of the System), plan members are required by state statute to contribute 7.5 percent of gross salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.4% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees.

The contributions for the year ended June 30, 1997 were as follows:

	Amount	Percent of Covered Payroll
Employee	\$ 50,310	7.5%
District	\$ 83,130	12.4%

The District's contributions for the previous two fiscal years were \$83,627 and \$87,942, which equaled the required contributions for each year.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE J - JOINT VENTURE - HURRICANE PROTECTION LEVEE (CONTINUED)

Pursuant to the authority vested in LRS 38:81, on May 5, 1993, the Governor of the State of Louisiana designated the DOTD as the "non-federal" sponsor of the project and relegated the District to the role of "executive agent" for the DOTD on the project. Act 1812 of the 1993 Legislative session and a new cooperative agreement, dated November 11, 1995, between the District and DOTD will allow modification of the agreement with the COE in order to set forth the responsibilities of each party in relation to the project.

Under the current arrangement, DOTD is now responsible for providing the "non-federal" local share of the project cost and to provide the District with certain engineering services, as needed. The District is to act as "executive agent" for DOTD for purposes of administering the project.

The non-federal local share of the project is being funded in various ways. A significant portion is coming from "expenses of non-federal interests" incurred by the COE for incentives and comparable expenditures incurred by the District. In addition, the District has obtained commitments from the State of \$11,391,830 through the Statewide Flood Control Program. This amount represents 70 percent of the estimated construction cost to be borne by the non-federal sponsor. The District is required to put up the remaining 30 percent as a match. To date, the entire \$11,391,830 has been appropriated by the State. Of this amount, \$6,094,650 has been expended, leaving an available balance of \$5,297,180. This balance will result in a required State match of \$2,775,861. The District has designated a portion of the West of Harvey Canal Capital Project Fund's fund balance and is also applying the cost of a land acquisition associated with the project for purposes of matching the state funds.

In 1986, the U.S. Congress approved the construction of a hurricane protection levee east of the Harvey Canal and in the vicinity of Lake Cataouatche. The estimated cost of the projects are \$153 million and \$13 million, respectively. It is anticipated that the current administrative and funding agreements on the West of Harvey Canal project will include these new projects as modifications.

NOTE K - PENSION PLAN

1. Plan Description and Provisions

The District contributes to the Louisiana State Employees' Retirement System (the "System"), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of State agencies and their staffs, which is administered and controlled by a separate board of trustees.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 1 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Federal and State Financial Assistance

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

4. Levee Commitments

As discussed in Note 1, the District has entered into "local cooperative agreements" with the Louisiana Department of Transportation and Development (DOTD) and the U.S. Army Corps of Engineers (COE) to construct a hurricane protection levee west of the Harvey Canal. Modifications to the agreements to include construction of the recently approved levees east of the Harvey Canal and in the vicinity of Lake Cataouatche are forthcoming. Of the estimated \$95.0 million project cost on the West of Harvey Levee, the DOTD, as the "non-federal" sponsor, is to provide 35 percent of the project cost. The District is to act as the "executive agent" for the DOTD for purposes of administering the project. As of June 30, 1997, six of the nine reaches have been completed. The project is expected to take up to 9 years to complete. The COE notifies the District of the amount of cash assistance (or equivalent work) required of the "non-federal" sponsor each fiscal year. The East of Harvey and Lake Cataouatche levees are estimated to cost \$157 million and \$15 million, respectively. It is anticipated that the District will act in the same capacity and have the same responsibilities on these projects as on the West of Harvey project.

NOTE 1 - JOINT VENTURE - HURRICANE PROTECTION LEVEE

Pursuant to a local cooperative agreement dated December 18, 1990, the District and the U.S. Army Corps of Engineers (COE) began constructing a hurricane protection levee system with the District's boundaries west of the Harvey Canal. Under the original agreement, the District was to provide 35 percent of the cost as a local match. The District's share was to be made up of expropriations, contracts, land acquisitions, relocation assistance and in-kind construction work. Upon completion of the levee, the District would be responsible for maintenance and repairs of the levee system (see Note 1).

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 1 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Under these policies, general liability coverage is provided from up to a maximum of \$1 million per occurrence (\$2 million in the aggregate); automobile coverage is provided for up to \$500,000 per occurrence; and worker's compensation is provided at the statutory limits of \$1 million/\$1 million/\$1 million. In each policy, the District is responsible for the applicable deductible.

2. Litigation

The District is a defendant in a number of claims and lawsuits. The District's attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the District and to arrive at an estimate, if any, of the amount or range of potential loss to the District. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" categories, as defined in GAAP Codification Section 505 for Claims and Judgments. In the opinion of management, the District has adequate legal defenses or insurance coverage with respect to each of these claims and lawsuits and, except for the case outlined below, does not believe that they will materially affect the District's financial statements.

A 1990 order of expropriation was challenged by the landowners in district court. After trial, a judgment was rendered in favor of the landowners at a substantial amount over and above what was originally deposited with the courts. The case was appealed and during the year to the Fifth District Court of Appeals. The Appeals Court upheld the original judgment. The District then appealed the case to the State Supreme Court. On September 11, 1995, the Supreme Court denied writ applications, therefore the judgment stands. The question now is which agency under the local cooperative agreement will be responsible for paying the claim. LRS 38:507 provides for the State Department of Transportation and Development (DOTD) to pay for expropriations when the District cannot afford payment. It is the opinion of the District's attorney that there exists a good possibility that the District will be responsible for some, if not all, of the judgment. The amount cannot presently be determined, accordingly, no provision for this potential liability has been recorded on the financial statements. The range of liability therefore extends from the original compensation of \$51,460 to the current judgment of approximately \$1,000,000 (which includes attorney and court costs).

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE G - RESERVATIONS AND DESIGNATIONS OF FUND BALANCES (CONTINUED)

Reserved for Emergencies

The District has adopted a policy whereby any surplus fund balance remaining at year end in the General Fund is to be restricted for emergency purposes. These funds are not available for normal operating activities and can only be expended upon the official declaration of an emergency by the Board.

Designated for Matching Statewide Flood Control

This designation represents the amount of funds available to match state appropriations under the Statewide Flood Control - Westbank Hurricane Protection Levee Project. See Note J.

NOTE H - AD VALOREM TAX

The District levies an ad valorem (property) tax on real property within the District to finance operations. The levy is generally made as of November 15 of each year. The tax is then due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent 30 days after its due date.

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Taxes are billed and collected by the Jefferson Parish Sheriff's Office (a separate entity) which receives a rental millage for its services. The taxes remitted by the Sheriff to the District are net of Assessor's commission and pension fund contributions.

The number of mills levied for operations on both the 1996 and 1995 tax rolls were 5.85.

NOTE I - COMMITMENTS AND CONTINGENCIES

1. Risk Management

The District is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself against these risks of loss, the District purchases various types of insurance from commercial carriers.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE F - INTERFUND ASSETS/LIABILITIES

Fund	Due To/From	Due From	Due To
General Fund	Emergency Fund Special Revenue	\$ 0	\$ 100,000
	Bond Sinking Debt Service	28,628	0
	West of Honey-Capital Project	194,117	0
		<u>\$ 272,745</u>	<u>\$ 100,000</u>
Emergency Special Revenue Fund	General Fund	\$ 150,000	\$ 0
	Mississippi River Capital Project	0	52,166
		<u>\$ 150,000</u>	<u>\$ 52,166</u>
Bond Sinking Debt Service	General Fund	\$ 0	\$ 34,000
Capital Projects			
West of Honey	General Fund	\$ 0	\$ 194,117
	Mississippi River Levee Capital Project	34,040	0
	Lafitte Levee Capital Project	47,134	0
		<u>\$ 81,174</u>	<u>\$ 194,117</u>
Mississippi River Levee	West of Honey Capital Project	0	34,000
	Emergency Special Revenue Fund	52,166	0
		<u>\$ 52,166</u>	<u>\$ 34,000</u>
Lafitte Levee	West of Honey Capital Project	0	47,134
Total Capital Project Funds		<u>\$ 115,340</u>	<u>\$ 276,250</u>
TOTAL ALL FUNDS		<u>\$ 458,470</u>	<u>\$ 476,170</u>

NOTE G - RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

The nature and purpose of the reserves and designations of fund balances are as follows:

Reserve for Debt Service

This reserve represents the amounts reserved for payment of principal and interest maturing in future years.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

2. Compensated Absences

District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited.

Upon termination, an employee is compensated for up to 360 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes. Compensatory time is accrued up to a balance of 240 hours at a rate of time and one-half. An employee who exceeds 240 hours receives either monetary consideration or compensatory time for the amount of hours earned in excess of the 240 hour limit. Upon termination, an employee is paid for unused compensatory time.

In the governmental funds, compensated absences are recorded as expenditures when paid. The District accounts for these compensated absences as a liability in the General Long-Term Debt Account Group which represents the District's commitment to fund such costs from future operations.

3. Changes in Long-Term Debt

The following is a summary of changes in general long-term obligations of the District for the fiscal year ended June 30, 1997:

Type of Debt	Balance July 1, 1996	Additional Issuances	Balance June 30, 1997
1986 Texas Revenue Bonds	\$ 1,420,000	\$ (1,420,000)	\$ 0
1996 Texas Revenue Bonds	0	1,420,000	1,420,000
Compensated Absences	100,737	(6,602)	94,135
Total	\$ 1,520,737	\$ (6,602)	\$ 1,514,135

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997**

NOTE E - LONG-TERM DEBT

1. Excess Revenue Bonds

On January 31, 1997, the District issued \$1,420,000 in 1996 Series Excess Revenue Bonds with an average interest rate of 4.56 percent to advance refund \$1,420,000 of outstanding 1986 Series Excess Revenue bonds with an average interest rate of 8.13 percent. The net proceeds of \$1,402,546 (after payment of \$17,454 in underwriting fees, insurance, and other issuance costs) plus an additional \$85,454 of 1986 Series Sinking Fund monies were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1986 Series bonds. As a result, the 1986 Series bonds are considered to be defeased and the liability for these bonds has been removed from the General Long-term Debt Account Group.

The District advance refund the 1986 Series bonds to reduce its total debt service payments over the next 9 years by almost \$307,399 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$188,821.

The 1996 Series Excess Revenue Bonds are secured by, and are payable solely from, a pledge of the annual revenues of the District, sufficient to pay principal and interest, through April 1, 2006. At June 30, 1997, \$34,094 was available in the Debt Service Fund to service the debt. Bonds outstanding at June 30, 1997 totaled \$1,420,000, with interest rates ranging from 2.9 to 4.8 percent. Annual debt service requirements to maturity, including interest of \$253,211, are as follows:

Year Ending June 30,	Amount
1998	\$ 188,116
1999	195,211
2000	192,680
2001	191,800
2002	199,560
2003-2007	866,821
Total	\$ 1,770,288

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

The District's investments at year end are categorized below to give an indication of the level of risk assumed by the District. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes unsecured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes unsecured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name.

Investment Type	CATEGORY			Carrying Value	Market Value
	1	2	3		
U.S. Government Instruments	\$ 271,514	\$ 0	\$ 0	\$ 271,514	\$ 271,000

In addition, the District has \$3,580,000 on deposit with the U.S. Army Corps of Engineers (COE). These amounts are not reported on the financial statements as they are being held in jointly-owned escrow accounts pursuant to the cooperative agreements signed with the COE. As the District makes deposits into the escrow accounts, an expenditure is recognized. COE is allowed to draw on the escrow funds as needed in connection with the Westbank Hurricane Protection Levee Project. See Note J.

NOTE D - FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

Asset Type	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	0	310,000	0	\$ 310,000
Buildings	1,862,000	0	0	1,862,000
Furniture and fixtures	112,500	25,264	(1,260)	136,504
Machinery, vehicles and equipment	1,475,000	98,940	(175,813)	1,498,127
Total	<u>\$ 3,789,500</u>	<u>\$ 433,204</u>	<u>\$ (177,073)</u>	<u>\$ 4,145,631</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fund	Expenditures	Budget	Variance
General Fund			
Personnel	\$ 1,029,000	\$ 1,010,000	\$ (19,000)
Employee Expenditures	20,260	20,260	(0)
Repairs and Maintenance	198,850	198,000	(850)

The over-expenditures in personnel were caused by unexpected increases in group health and retirement costs. Employee expenditures were over budget due to travel costs in the Administrative Department. Repairs and maintenance exceeded budget due to the continuing repair program on the District's fleet and equipment. All of the over-expenditures were funded by available and appropriate fund balances.

NOTE C - DEPOSITS AND INVESTMENTS

The carrying amount of the District's deposits at June 30, 1997 was \$3,411,428 and the bank balance was \$5,612,235. 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 bank. The bank balance is categorized as follows:

Risk Category	Amount
a. Insured (FDIC) or collateralized with securities held by the entity or assigned to the entity's name	\$ 3,412,235
b. Uncollateralized with securities held by the pledging financial institution's trust department or agent in the entity's name	0
c. Uncollateralized (including securities held for the entity by the pledging financial institution or its agent, but not in the entity's name)	0
Total	<u>\$ 3,412,235</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Total Columns on Combined Statements

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

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

The Board of Commissioners of the District submits an annual budget to the Department of Transportation and Development - Office of Public Works (DOTD) and the Legislative Auditor for the succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The DOTD reviews the budget and makes recommendations pertaining thereto to the Board of Commissioners of the District and the Legislative Auditor. Not less than ninety days before the end of the fiscal year, the Board adopts the annual budget after considering the recommendations of the DOTD. Amendments to the budget are made by the Board from time to time, as is necessary.

Budgeted amounts included in the accompanying statements are as originally adopted, or as finally amended by the Board, as of March 23, 1997.

2. Deficit Fund Balance

The Mississippi River Capital Project Fund has a deficit fund balance of \$938 at June 30, 1997. This amount is expected to be made up through additional transfers from the General Fund in future years.

3. Expenditures in Excess of Appropriations

For the year ended June 30, 1997, expenditures exceeded budget at the object level as follows:

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for those amounts. In accordance with the provisions of GASB Codification Section 660, no liability is recorded for nonvesting accumulating rights to receive sick leave benefits. In accordance with GASB Statement No. 16, an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

11. *Long-Term Obligations*

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group.

12. *Fund Equity*

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

13. *Interfund Transactions*

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecursing or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Inventory

The cost of materials and supplies acquired by the District are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such material and supplies at June 30, 1997, would not be material to the financial statements.

8. Prepaid Insurance

Payments made to vendors for services that will benefit periods beyond June 30, 1997, are recorded as expenditures when paid. It is management's opinion that the prepaid amount, if any, would not be material to the financial statements.

9. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Public domain ("infrastructure") general fixed assets consisting primarily of levee construction and improvement costs are not capitalized, as these assets are inseparable and of value only to the government.

Assets in the General Fixed Assets Account Group are not depreciated.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets

Fundal Budgetary accounting is employed as a management control device during the year for the General Fund. Budgetary data for the Special Revenue Fund is not presented since these funds are restricted for emergency purposes only, and are considered unpredictable. Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project, not on an annual basis. Fundal budgetary accounting is not employed for the Debt Service Fund because effective control is alternatively achieved through the indenture provisions of the bond/certificates.

Expenditures may not exceed appropriations at the object level within the fund. All annual appropriations which are not expended lapse at year end.

The General Fund's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances are not recorded for budgetary purposes.

5. Cash and Investments

For reporting purposes, cash includes amounts in demand deposits, time deposits, and certificates of deposit. Louisiana Revised Statutes allow the District to 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.

Investments are stated at cost or amortized cost.

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

6. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund issues are classified as "interfund receivables/payables".

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund

The Special Revenue Fund accounts for monies that are restricted to expenditures related to emergencies.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and structures.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 90 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annually, the State of Louisiana (the primary government) issues general purpose financial statements which include the activity contained in the accompanying financial statements. The State's general purpose financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

2. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 financial resources.

The funds of the District are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

The fund types presented in the accompanying financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the West Jefferson Levee District. It is used to account for all financial resources except those required to be accounted for in another fund.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the West Jefferson Levee District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the district's accounting policies are describe below.

1. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legal ly separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependence may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is a political subdivision of the State of Louisiana organized to provide flood protection for those areas contained within the Parish of Jefferson to the west of the Mississippi River. The District was incorporated August 1, 1988, under the provisions of Act 829 of the 1980 Legislative session, as amended (Civil Service code). The control and management of the affairs of the District are vested in a Board of Commissioners composed of nine qualified electors residing within the District. The members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by the members of the Legislature serving that portion of Jefferson Parish located within the District.

Based on the criteria described above, it has been determined that the West Jefferson Levee District is a component unit of the State of Louisiana for financial reporting purposes. The accompanying statements present only transactions of the West Jefferson Levee District.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL -
GENERAL FUND
Year ended June 30, 1997**

REVENUES	ACTUAL		BUDGET		VARIANCE (EXCESS/SHORTAGE)	
	\$	0	\$	0	\$	0
Federal income						
State income		149,000		149,000		0.00
Federal income		1,177,118		1,140,000		37,118.00
Interest		10,750		10,000		750.00
Other		215,160		190,000		25,160.00
TOTAL REVENUES		<u>1,392,018</u>		<u>1,489,000</u>		<u>103,018</u>
EXPENDITURES						
Current						
Personnel		1,074,993		1,010,000		64,993.00
Employee expenditures		23,284		22,744		540.00
Office		23,044		20,000		3,044.00
Professional services		90,121		114,500		(24,379.00)
Repairs and maintenance		190,867		180,070		10,797.00
Operating		160,207		270,400		(110,193.00)
Other		288,892		288,892		0.00
Capital outlay		114,700		100,700		14,000.00
TOTAL EXPENDITURES		<u>1,969,798</u>		<u>1,946,506</u>		<u>23,292</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>422,220</u>		<u>542,494</u>		<u>(120,274)</u>
OTHER FINANCIAL RESOURCES (USES)						
Operating transfers in		0		0		0
Operating transfers out		(54,000)		(50,000)		(4,000.00)
TOTAL OTHER FINANCING RESOURCES (USES)		<u>(54,000)</u>		<u>(50,000)</u>		<u>4,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER RESOURCES OVER EXPENDITURES AND OTHER USES		<u>368,220</u>		<u>492,494</u>		<u>(124,274)</u>
FUND BALANCE						
Beginning of year		61,410		51,400		10,010.00
Residual equity transfers		(20,000)		(14,450)		(5,550.00)
Fiscal year	\$	<u>41,410</u>	\$	<u>36,950</u>	\$	<u>4,460.00</u>

See Accompanying Notes to Financial Statements.

CAPITAL PROJECTS	TOTAL PROVISIONS/RESERVE COSTS
\$ 75,400	\$ 75,400
1,076,000	1,076,411
0	1,271,100
500,127	244,923
0	143,889
<u>1,575,527</u>	<u>4,281,740</u>
0	1,024,993
0	23,203
0	33,673
0	90,587
0	968,000
0	569,000
0	280,000
0	140,900
4,804,133	4,804,039
0	0
0	67,000
<u>4,804,133</u>	<u>4,871,039</u>
<u>17,817,750</u>	<u>664,120</u>
240,000	600,000
0	(240,000)
0	1,470,000
0	(1,400,000)
0	(1,700,000)
<u>240,000</u>	<u>290,000</u>
120,700	666,615
5,964,070	5,415,590
(24,000)	0
<u>6,060,770</u>	<u>6,072,205</u>

**MIST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1997**

	GENERAL	SPECIAL REVENUE	TRUST SERVICES
REVENUES			
Federal sources	\$ 0	\$ 0	0
State sources	399,000	0	0
Political sources	2,275,000	0	0
Interest	18,750	3,021	1,000
Other	200,000	0	0
TOTAL REVENUES	<u>2,892,750</u>	<u>3,021</u>	<u>1,000</u>
EXPENDITURES			
Current			
Personnel	1,620,000	0	0
Employee expenditures	20,283	0	0
Office	15,000	0	0
Professional services	90,110	400	0
Supplies and materials	108,865	0	0
Operating	168,440	0	0
Other	280,852	0	0
Capital outlay	115,500	0	0
Lease construction projects	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	17,000
TOTAL EXPENDITURES	<u>2,548,940</u>	<u>400</u>	<u>17,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>343,810</u>	<u>1,621</u>	<u>(16,000)</u>
OTHER FINANCIAL SOURCES (USES)			
Operating transfers in	0	71,000	150,000
Operating transfers out	(260,000)	0	0
Proceeds of refunding bonds	0	0	1,400,000
Payments to refunded bond owners upon redemption date	0	0	(1,400,000)
Redemptive cash	0	0	(17,400)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(260,000)</u>	<u>71,000</u>	<u>1,400,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>83,810</u>	<u>78,621</u>	<u>1,400</u>
FUND BALANCE			
Beginning of year	51,400	(21,000)	70,000
Revised equity transfer	(11,000)	(2,000)	0
End of year	\$ <u>40,400</u>	\$ <u>(23,000)</u>	\$ <u>70,000</u>

See Accompanying Notes to Financial Statements.

ACCOUNT GROUPS			TOTAL
GENERAL	GENERAL		(BALANCE SHEET)
FINANCIAL	OPERATING		(000'S)
ASSETS	LIAB		
\$	\$	\$	\$
0	0	0	0,000,000
0	0	0	587,804
0	0	0	0
0	0	0	896,171
3,719,407	0	0	3,719,607
0	79,096	0	79,096
0	3,443,000	0	3,443,000
<u>\$ 3,719,407</u>	<u>\$ 3,522,096</u>	<u>\$ 0</u>	<u>\$ 3,522,096</u>

\$	\$	\$	\$
0	0	0	1,000
0	0	0	70
0	0	0	496,171
0	96,005	0	96,005
0	1,420,000	0	1,420,000
<u>0</u>	<u>1,516,005</u>	<u>0</u>	<u>1,516,171</u>
3,719,407	0	0	3,719,407
0	0	0	79,096
0	0	0	119,548
0	0	0	3,903,614
0	0	0	618,748
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,091,971</u>
<u>3,719,407</u>	<u>0</u>	<u>0</u>	<u>3,703,676</u>
<u>\$ 3,719,407</u>	<u>\$ 1,516,005</u>	<u>\$ 0</u>	<u>\$ 3,711,081</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1987

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICES	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash and cash equivalents	\$ 298,688	\$ 1,448	\$ 131,533	\$ 1,098,577
Investments	0	0	0	592,584
Receivables	0	0	0	0
Due from other funds	231,740	180,084	0	111,140
Property, plant and equipment	0	0	0	0
Amount available in funds	0	0	0	0
Service fund	0	0	0	0
Amount to be provided by Department of General Long-term debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 530,428	\$ 1,632	\$ 131,533	\$ 1,798,301
LIABILITIES, EQUITY, AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 3,000
Accrued payroll and deductions	76	0	0	0
Due to other funds	158,884	21,568	38,629	214,541
Compensated absences	0	0	0	0
Unpaid vacation funds payable	0	0	0	0
TOTAL LIABILITIES	158,960	21,568	38,629	217,541
EQUITY AND OTHER CREDITS				
Investment in general fund assets	0	0	0	0
Fund balance				
Reserved for debt service	0	0	76,894	0
Reserved for contingencies	0	119,564	0	0
Unassigned				
Expended for accounting	0	0	0	3,000,000
Statewide Flood Control	341,270	0	0	256,521
TOTAL EQUITY	341,270	119,564	76,894	3,000,000
TOTAL EQUITY AND OTHER CREDITS	341,270	119,564	76,894	3,000,000
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 500,230	\$ 141,132	\$ 115,523	\$ 3,798,301

See Accompanying Notes to Financial Statements.

GENERAL PURPOSE FINANCIAL STATEMENTS

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The accompanying schedule of expenditures of Federal awards and other supplemental information listed in the table of contents are presented for purposes of additional analysis and as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements, taken as a whole.

Cover, Davis & Schmitt

August 31, 1987, except for Note 1, which is dated September 11, 1987

Walter J. Cascio, CPA
Leo E. Davis, CPA
Barbara A. Schmitt, CPA

Members
American Institute of Certified
Public Accountants
Division of Louisiana Certified
Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

We have audited the accompanying general purpose financial statements of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the 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 generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the District as of and for the year ended June 30, 1997, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 11, 1997, on our consideration of the District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

FINANCIAL SECTION

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**WEST JEFFERSON LEVEE DISTRICT
A COMPONENT UNIT OF THE
STATE OF LOUISIANA**

**ANNUAL FINANCIAL REPORT
Year Ended June 30, 1997**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. This 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 09/08/97

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