

NEW ORLEANS LAIRBORNE	FLOODORNE	TOTALS	
		APR 30, 1997	APR 30, 1998
\$1,627,000		\$1,665,000	\$3,397,000
3,433,000		3,409,000	3,888,700
(88,400)		2,893,707	5,788,000
		85,708	314,070
<u>4,891,600</u>	<u>None</u>	<u>4,847,707</u>	<u>11,088,880</u>
2,330,111		2,844,808	3,891,840
2,880		2,880	5,871
893,880		894,641	871,271
2,797,491		2,797,491	2,883,071
(88,630)		362,873	280,000
13,000		190,000	190,000
(76,000)		264,860	1,463,071
<u>1,865,861</u>	<u>None</u>	<u>3,023,764</u>	<u>3,827,032</u>
1,000,000	<u>None</u>	10,863,680	9,733,710
<u>(2,133,887)</u>	<u>None</u>	<u>(7,839,916)</u>	<u>1,689,900</u>
		81,000	2,213,000
		(2,880,000)	(4,980,000)
740,000		740,000	2,740,000
		(848,917)	
		940,000	
104,000		(84,000)	
		(738,000)	(2,777,000)
<u>694,000</u>	<u>None</u>	<u>(2,754,917)</u>	<u>(81,000)</u>
<u>(2,439,887)</u>	<u>None</u>	<u>(2,189,916)</u>	<u>1,798,900</u>

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 PROPRIETARY FUNDS - ENTERPRISE FUNDS  
 Combining Schedule of Revenues, Expenses,  
 and Changes in Retained Earnings, 1997  
 (With Comparative Totals for the Year  
 Ended June 30, 1996)

	LAKE MICH COMMUNITY CENTER	ORLEANS MORINA	SOUTH SHORE FERRISS MORINA
<b>OPERATING TRANSFERS</b>			
Operating transfers in	\$26,024	\$229,917	\$ 664,411
Operating transfers out	(3,000)	(272,152)	(111,036)
Total operating transfers	<u>\$23,024</u>	<u>\$57,765</u>	<u>\$553,375</u>
<b>NET INCOME (Loss)</b>	<u>\$23,024</u>	<u>\$57,765</u>	<u>\$553,375</u>
<b>RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR</b>	1,279,248	1,767,764	(71,204,644)
Post period adjustment	(79,800)	(71,800)	(28,100)
<b>RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR AS RESTATED</b>	<u>1,199,448</u>	<u>1,725,964</u>	<u>(71,232,744)</u>
<b>RETAINED EARNINGS (Deficit) AT END OF YEAR</b>	<u>\$1,222,472</u>	<u>\$1,668,200</u>	<u>(65,679,369)</u>

(Concluded)

NEW ORLEANS		TOTAL	
Land Project	FLOOD DAMAGE	APRIL 30, 1997	APRIL 30, 1998
<u>AIRPORT</u>			
1008,877		877,588	1008,880
<u>1007,807</u>		<u>(280,733)</u>	<u>(2,104,444)</u>
509,829	99,999	509,830	(2,438,170)
<u>9,466,819</u>	<u>99,999</u>	<u>(2,831,675)</u>	<u>963,695</u>
131,431,433	11,999	130,803,160	(10,708,684)
<u>171,884</u>		<u>99,499</u>	<u>(407,890)</u>
132,057,500	12,000	130,899,759	130,195,000
<u>10,000,000</u>	<u>10,000</u>	<u>10,000,000</u>	<u>(11,801,444)</u>

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
PROPRIETARY FUNDS - ENTERPRISE FUNDS

Combining Schedule of Cash Flows  
For the Year Ended June 30, 1987  
(With Comparative Totals for the Year  
Ended June 30, 1986)

	LAKE VISTA COMMUNITY CENTER	ORLEANS MARINA	SOUTH SHORE MARINA
Cash flows from operating activities:			
Operating income (loss)	\$80,880	\$910,110	\$1,884,030
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	81,400	88,887	1,448,888
Adjustment to beginning retained earnings	(70,888)	(11,874)	(88,888)
Adjustment of postponed capital			
Changes in assets and liabilities:			
(Increase) decrease in receivables	1,575	55,438	(81,888)
(Decrease) decrease in due from other funds	(80,475)	(801,714)	4,384,410
(Decrease) decrease in inventory			
Increase in other assets			
Increase (decrease) in payables	300	1,000	(3,888)
Increase (decrease) in deferred revenues	(2,871)	21,748	(28,888)
Increase (decrease) in due to other funds			
Increase (decrease) in other liabilities		800	(240,471)
Increase in account compensating accounts		488	4,888
Net cash provided (used) by operating activities	<u>(70,128)</u>	<u>84,888</u>	<u>1,588,127</u>
Cash flows from noncapital financing activities:			
Operating transfers in from other funds	26,128	128,810	68,410
Operating transfers out to other funds	(3,888)	(713,988)	(711,038)
State and federal grants			4,888
Profits of deposits			348,888
Contract settlements			
Net cash provided by noncapital financing activities	<u>22,240</u>	<u>(485,178)</u>	<u>490,168</u>
Cash flows from capital and related financing activities:			
Principal paid on bonds			(21,208,410)
Advance from other funds			
Interest paid on bond maturities (including amortized premiums) (less cash on bonds payable)			(8,113,887)
Bond refunding costs			(788,888)
Extraordinary loss on refunding			(848,810)
Acquisition of capital assets		(11,718)	(71,048)
Revolving credit transfer			(8,888,888)
Net cash used in capital and related financing activities	<u>NONE</u>	<u>(11,718)</u>	<u>(40,888,888)</u>

(Continued)

NEW ORLEANS LANDFIGHT	AMOUNT	TOTAL	
		JUNE 30, 1987	JUNE 30, 1988
(21,911,897)		(24,488)	\$1,820,888
1,782,891		1,044,700	1,887,887
(77,884)		200,480	(400,888)
731		754	
(26,443)		(94,212)	(1,022,448)
		1,048,887	1,478,073
(4,188)		(67,888)	(71,788)
			(758)
(1,774,888)		(1,758,872)	763,878
(8,300)		78,887	(88,787)
1,884,891		1,828,824	1,121,242
		(248,878)	(70,888)
1,881		1,824	(8,887)
(271,212)	WASH	4,773,778	15,114,884
408,077		887,888	188,888
(217,882)		(283,778)	(2,788,888)
788,284		881,884	2,788,478
		888,888	
(88,888)		(88,888)	
1,822,874	WASH	1,488,884	271,824
(284,888)		(21,208,478)	(871,888)
		(284,888)	(177,888)
		(8,558,887)	(8,872,788)
		(88,288)	(848,788)
		(848,888)	
(248,778)		(278,884)	(8,788,778)
		(8,888,888)	
(888,888)	WASH	(88,178,284)	(13,887,887)

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 PROPRIETARY FUNDS - ENTERPRISE FUNDS  
 Combining Schedule of Cash Flows, 1997  
 (With Comparative Totals for the Year  
 Ended June 30, 1996)

	LAKE VISTA COMMUNITY CENTER	ORLEANS MARINA	SOUTH SHORE MARINA
Cash flows from investing activities:			
Receipt of interest and dividends earned on investments			\$91,004
Proceeds from guaranteed insurance contracts not cash provided by investing activities			32,880,180
	<u>NONE</u>	<u>NONE</u>	<u>32,971,184</u>
Net increase (decrease) in cash	NONE	NONE	NONE
Cash at beginning of year	<u>NONE</u>	<u>\$ 000</u>	<u>700</u>
Cash at end of year	<u>NONE</u>	<u>\$ 000</u>	<u>\$ 700</u>
Financing (issuance), loans, and financing activities:			
Assets acquired by transfer		\$300	
Assets transferred to other funds		14,010	
Assets written off		<u>1780</u>	
Total financing (issuance), loans, and financing activities	<u>NONE</u>	<u>(14,710)</u>	<u>NONE</u>

(Continued)

NEW ORLEANS LABORERS' AMOUNT	F,000,000S	TOTALS	
		JUNE 30, 1987	JUNE 30, 1988
		\$61,000	\$1,703,000
		20,880,700	644,888
		<u>20,941,700</u>	<u>1,987,888</u>
	\$11,000	20,200	20,200
	\$11,000	\$11,200	\$11,200
\$1,000		\$1,400	\$18,100
(2,000)		(2,000)	(10,100)
(1,000)		(2,600)	100
\$1,000		\$1,100	\$1,100

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended June 30, 1997

**PER DIEM PAID BOARD MEMBERS**

This schedule of per diem paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Per diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal services expenditures of the General Fund. Board members are paid \$75 per day, to a maximum of 30 days per year, for board meetings and official business. During the period of an emergency as declared and determined by the governor, the levee district shall be authorized to hold as many meetings or emergency activities as the board deems necessary, and the members shall be paid per diem for such meetings or activities.



ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA

Schedule of Per Diem Paid Board Members  
For the Year Ended June 30, 1997  
(With Comparative Totals for the Year  
Ended June 30, 1996)

	<u>JUNE 30, 1997</u>	<u>JUNE 30, 1996</u>
Jerry Blake		\$300
Kathleen Cain	\$675	
James Denson		1,050
Mickey Easterling		1,050
Marlin Guzman	1,050	900
Patricia W. Harris	1,600	2,325
Robert O. Harney		625
Ellen Dalencia-Hawver	1,525	1,800
James P. Healy, President	2,025	2,100
Victor Landry	2,700	
James Livingston		
Robert Lupo		1,125
Robert C. Ramo		625
Richard D. Sackell		625
Scott Sewell		625
	<u>\$19,725</u>	<u>\$13,125</u>
Total		

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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



OFFICE OF  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-0007

CHARLES E. STULL, III, CPA, CFE  
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September 19, 1997

Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of Financial Statements

BOARD OF LEVEE COMMISSIONERS OF  
THE ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
New Orleans, Louisiana

We have audited the general purpose financial statements of Orleans Levee District, a component unit of the State of Louisiana, as of June 30, 1997, and for the year then ended, and have issued our report thereon dated September 19, 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 Orleans Levee District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the following paragraphs.

**Possible Ethics Code Violation**

The Orleans Levee District paid an engineering consulting firm \$188,200 in the current fiscal year for "lease negotiation services" relating to a proposed lease (Morris Peninsula) between the levee district and a casino operator. Furthermore, the casino operator paid this engineering consulting firm \$548,537 for providing design and engineering services related to a proposal to develop the same piece of property. According to Louisiana Revised Statute (R.S.) 42:1112, public servants are prohibited from participating in transactions involving the governmental entity in which they have a personal substantial economic interest. As established by prior Louisiana Ethics Based opinions and case law, the consultant in this matter could possibly be held to be a public servant under R.S. 42:1112.

**BOARD OF LEVEE COMMISSIONERS OF  
THE ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA**

Compliance and Internal Control Report  
September 10, 1997  
Page 2

Management of the levee district stated that the \$198,280 payment was based upon a verbal (non-written) contract negotiated in 1994. As noted previously, the proposed lease to be negotiated involved the levee district's North Peninsula. According to a letter dated September 30, 1996, signed by the owner of the engineering firm, the \$246,537 was partial payment of an invoice submitted to the casino operator under a contractual agreement dated November 21, 1994, relating to development of the levee district's North Peninsula. As a result of payments made under these two agreements, there may have been a violation of R.S. 42:1113 (the Code of Governmental Ethics). In addition, the levee district may not have had its best interest represented in the lease negotiations, since the consulting firm was working for both the casino operator and the levee district.

The Orleans Levee District is advised to seek an opinion from the Louisiana Ethics Board to determine if there has been a violation of the provisions of the Louisiana Code of Governmental Ethics. In a letter dated September 18, 1997, James P. Huey, President, stated that the levee district does not believe the auditor's comments meet the Auditing Standards Board's criteria for a reportable condition, and represents an allegation against a third party, and not the Orleans Levee District. In addition, the levee district's legal counsel has advised that any representative of the Orleans Levee District is prohibited by R.S. 42:149 (E) (12) and (13) from responding further on this subject until any legal impediment is removed.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Orleans Levee District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Orleans Levee District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the following paragraphs.

**Inadequate Controls over Professional  
Service Contracts**

For the third consecutive year, the Orleans Levee District has not maintained adequate internal controls over professional service contracts. In addition, during the audit for the fiscal year ended June 30, 1997, there were certain instances where the district did not comply with established board policies with regard to certain computer consulting,

LEGISLATIVE AUDITOR

BOARD OF LEVEE COMMISSIONERS OF  
THE ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA

Compliance and Internal Control Report

September 19, 1997

Page 3

engineering, public relations, and other professional service contracts. In our consideration of the internal controls, we noted the following weaknesses that in some cases resulted in noncompliance with state laws and regulations:

On October 7, 1996, the levee district made a payment of \$108,290 to an engineering consultant for lease negotiation services between the levee district and a casino operator based on an alleged verbal contract made in late 1994. Prudent business practices would require a written contract or documentation from the levee district's representative in the verbal contract to provide evidence of agreed upon deliverables and compensation. A written contract would also be necessary to successfully obtain the required Civil Service approval.

R.S. 42:3 limits the term of office of all employees or officials elected by a board to the term of office of the membership of the board electing them. Attorney General Opinion 92-52 states that it was the intent of the legislature in enacting the above statute to allow each newly appointed board the opportunity to elect its own officers and employees during the term of office. In addition, prudent business practices suggest a contract include a cancellation clause that will allow either party to the contract to prematurely terminate the contract, without cause, after giving a notice of intent within a specified time, such as 30, 60, or 90 days prior to termination.

- The district made a settlement payment of \$375,000 to the original computer-consulting firm without board authorization. The board approved the final settlement after the payment. The computer-consulting contract extended beyond the term of office of the majority of the commissioners of the district. Furthermore, the contract did not contain a clause for the termination of the contract without cause. As a result, the succeeding board was exposed to a settlement liability for termination of the contract.
- In addition, the district made settlement payments of \$58,500 to an audit consulting firm and \$8,380 to a public relations firm without prior approval of the board.

Civil Service Rule 3.10(i) requires that contracts for personal services be reviewed and approved or disapproved by the Department of Civil Service in advance of their effective date. This rule ensures that such agreements do not provide for the performance of such services that could and should be performed by classified employees.

LEGISLATIVE AUDITOR

BOARD OF LEVEE COMMISSIONERS OF  
THE ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA

Compliance and Internal Control Report

September 18, 1997

Page 4

- The district did not have the two contracts with the current computer consultant approved by the Department of Civil Service before the effective dates of the contracts.

Adequate internal controls for professional services require adherence to established levee district procedures and that agreements are executed before any work is authorized and payments are made.

- During the fiscal year ended June 30, 1997, the district spent \$24,388 for computer consulting services outside of the periods covered by the two signed contracts.
- The district authorized payment for \$3,975 of personal services without contracts or properly approved purchase orders. Consultants hired by the levee district performed services for the psychological exams program without an approved current purchase order or a current signed contract.

Finally, the findings documented in the internal auditor's report titled, "Professional Contracts for the Eight Months Ended February 25, 1997," were reviewed and accepted as relevant to professional services and as an addendum to our audit report findings:

- The levee district executed two professional service contracts, \$26,000 for computer consulting and \$26,000 for real estate consulting, without a "30 day at will" cancellation clause. The internal auditor report added that the real estate consultant does not submit time records supporting his invoices.
- \$1,705 of professional services for a promotion committee was performed without finance committee or board authorizations.

The levee district should ensure that payments for professional services are made based on contracts that are in writing and approved by the board, include termination clauses, do not exceed past the term of the commissioners of the district, are based on approved purchase orders, and have been reviewed and approved by Civil Service before the effective dates. In a seven-page letter dated September 22, 1997, Mr. Max L. Hearn, Acting Director, did not concur with any of the findings and called for each of them to be removed. On each point, he questioned either the facts, the criteria cited, or the materiality under Government Auditing Standards. He stated that there were no legal or procedural requirements at the time that a contract for lease negotiation services be written. He also stated that the president approved the settlements based on the advice of legal counsel, in accordance with his powers as chief executive of the agency. In addition, he stated that the board is in the process of reviewing and adopting a revised

LEGISLATIVE AUDITOR

BOARD OF LEVEE COMMISSIONERS OF  
THE ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA

Compliance and Internal Control Report

September 18, 1987

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professional services policy that should eliminate many of these findings, but at the same time, will be more inclusive and flexible. Finally, he quoted the internal auditor's report dated May 23, 1987, to state that he issued a memorandum, dated March 27, 1987, that assigns oversight of compliance with the levee district's policies and procedures and state regulations pertaining to disbursements for professional service contracts to the accounts payable supervisor and that the district has developed and is using a professional service contract checklist to ensure compliance with the levee district's policies and state regulations.

**Additional Comments:** Support for the payment of the lease negotiation services did not include a statement from the levee district's representative in the alleged verbal contract of the agreed upon deliverables and compensation. Lack of the recommended termination clauses in past professional service contracts, including those cited above, has cost the levee district and the taxpayers hundreds of thousands of dollars. The professional service contracts of the levee district have been an area of concern for a number of years, and we will continue to make recommendations for improvements in controls as needed.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions previously described are material weaknesses.

This report is intended for the information and use of the levee district and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

SAE LVRM#

10.8

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Orleans-Lewis District  
State of Louisiana  
New Orleans, Louisiana

September 30, 1997



*Financial and Compliance Audit Division*

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*Daniel G. Kyle, Ph.D., CPA, CFE*  
*Legislative Auditor*



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**Daniel G. Kyle, Ph.D., CPA, CFE**

**DIRECTOR OF FINANCIAL AND COMPLIANCE AIDS**

**Albert J. Robinson, Jr., CPA**

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
New Orleans, Louisiana**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 1987  
With Supplemental Information Schedules**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor.

September 30, 1987

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA**

General Purpose Financial Statements and  
Legislative Auditor's Independent Reports  
As of and for the Year Ended June 30, 1987

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LEGISLATIVE AUDITOR

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Audit Report, June 30, 1997

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September 19, 1997

Independent Auditor's Report  
on the Financial Statements

**BOARD OF COMMISSIONERS OF  
THE ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
New Orleans, Louisiana**

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Orleans Levee District as of June 30, 1997, and the results of operations and cash flows of its enterprise funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 1997, on our consideration of the Orleans Levee District's internal control over financial reporting and our test of its compliance with laws and regulations.

As discussed in note 20, the levee district has been named in 67 lawsuits. Several of these lawsuits involve revenues collected from the Bohemia Spillway in the parish of Plaquemines since July 1984. The Fourth Circuit Court of Appeal has ruled against the levee district and remanded the matter back to a district court for further proceedings. The amounts in dispute total \$28,177,023, plus interest, and no provision for the potential loss has been made in the accompanying financial statements.

LEGISLATIVE AUDITOR

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA

Audit Report, June 30, 1987

Our audit was made for the purpose of forming an opinion on the general purpose financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Orleans Levee District. Such information has been subjected to the 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.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

SAC:LWB:dj

PLN

**ORLEANS LEASE DISTRICT  
STATE OF LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS**

**Combined Balance Sheet, June 30, 1987  
(With Comparative Totals for the Year  
Ended June 30, 1986)**

	GOVERNMENTAL FUNDS		
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
<b>ASSETS AND OTHER DEBITS</b>			
Cash (note 4)	\$220,091	\$467,716	
Investments (note 5)	10,040,583	20,070,126	\$20,183,798
Investments held for litigation settlement (note 6)	1,034,289		
Receivables (note 8)	527,248	289,220	1,477,008
Due from other funds (note 20)	11,038,203		8,424,178
Inventory (note 14)	243,203		
Other assets	133,270		
Reprinted assets (note 16)			
Deferred charges (note 1-3)			
Advances to other funds (note 7)	1,435,255		
Property, plant, and equipment (net of accumulated depreciation) (note 9)			
Other Debits:			
Amount available in General Fund			
Amount available in Debt Service Fund			
Amounts to be provided for retirement of general long-term obligations			
	<u>\$25,665,664</u>	<u>\$27,246,181</u>	<u>\$24,078,302</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>			
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>			
<b>Liabilities:</b>			
Payables (note 16)	\$1,661,389	\$16,371	\$1,164,867
Deferred revenues - earned	70,834		27,949
Due to other funds (note 25)	18,235,695	2,587,448	
Other liabilities			
Accrued bond interest payable		2,782	
Payable from restricted assets - assumed bond interest payable			
Deferred revenues - long-term			
Accrued bond interest payable - long-term			
Other equity - issue deposit			
Advances from other funds (note 7)			

(Continued)

The accompanying notes are an integral part of this statement.

PROPRIETARY FUNDS— ENTERPRISE	ACCOUNT GROUPS		TOTALS	
	GENERAL FUND	GENERAL LONG-TERM OPERATIONS	(MEMORANDA (C/F))	
	ASSETS	LIABILITIES	JUNE 30, 1987	JUNE 30, 1988
\$35,200			\$890,587	\$2,189,448
			\$2,816,515	133,389,641
			1,204,268	1,587,880
\$13,880			3,204,588	3,248,450
11,790,948			30,402,078	27,129,037
202,870			547,112	550,742
720			138,000	3,739
3,581,228			3,585,210	28,875,423
944,808			944,808	3,247,800
			1,455,255	3,789,783
57,058,323	244,883,830		112,834,213	118,244,239
		\$1,004,268	1,214,288	1,287,880
		24,832,800	24,832,800	\$3,781,008
		\$3,432,587	\$3,432,587	\$1,229,888
<u>\$75,021,948</u>	<u>244,883,830</u>	<u>\$34,764,655</u>	<u>\$335,861,297</u>	<u>3476,732,883</u>
\$274,132			\$4,548,800	\$5,911,888
298,598			54,472	208,891
6,488,543			36,422,820	27,332,827
1,660			1,880	1,884
			2,700	837,511
1,287,334			1,287,334	1,283,873
897,882			897,882	978,983
1,782,300			1,782,300	1,508,901
				248,508
1,431,235			1,431,235	1,792,193



ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 Combined Balance Sheet, June 30, 1997  
 (With Comparative Totals for the Year  
 Ended June 30, 1996)

	GOVERNMENTAL FUNDS		
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
<b>LIABILITIES, EQUITY, AND OTHER CREDITS (CONT.)</b>			
Liabilities - (Cont.)			
Obligation under capital lease (note 10)			
Obligation under litigation settlement (note 20)			
Accrued compensated absences (note 19 and 20)			
Bonds payable (note 17)			
Total Liabilities	<u>11,024,125</u>	<u>10,717,107</u>	<u>12,711,897</u>
Equity and Other Credits:			
Contributed capital (notes 1-3 and 25)			
Investment in general fund assets (note 8)			
Retained earnings - (deficit) (note 2)			
Fund balances:			
Reserved (note 21)	3,548,204	24,302,000	12,048,288
Unreserved:			
Designated (note 22)	722,490		
Undesignated	<u>3,282,125</u>		<u>18,817,157</u>
Total Equity and Other Credits	<u>6,552,819</u>	<u>24,302,000</u>	<u>30,865,445</u>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<u>17,576,944</u>	<u>35,019,107</u>	<u>43,577,342</u>

(Continued)

The accompanying notes are an integral part of this statement.

PROBABILITY FUNDS - ENTIRETY	ACCOUNT GROUPS		TOTALS	
	GENERAL FIXED	GENERAL LONG-TERM OBLIGATIONS	BARRACLOUGH (66.7)	
	ASSETS	LIABILITIES	JUNE 30, 1987	JUNE 30, 1986
				200,482
		\$1,200,000	\$1,200,000	1,800,000
\$147,079		700,000	671,550	800,000
20,880,781		80,870,000	123,471,550	271,833,841
<u>21,987,780</u>	<u>6,000</u>	<u>81,780,000</u>	<u>124,143,050</u>	<u>273,434,324</u>
32,884,184			32,884,184	30,000,000
	244,283,000		44,283,000	44,283,000
(18,427,280)			(18,427,280)	(18,833,180)
			38,857,584	102,466,820
			150,495	6,733,737
			<u>39,008,079</u>	<u>109,200,557</u>
<u>21,550,194</u>	<u>244,283,000</u>	<u>6,000</u>	<u>148,243,144</u>	<u>313,234,455</u>
<u>281,127,040</u>	<u>244,283,000</u>	<u>281,781,000</u>	<u>2,095,040,207</u>	<u>2,478,737,882</u>

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 1987  
 (With Comparative Totals for the Year  
 Ended June 30, 1986)

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
<b>REVENUES</b>			
Ad valorem taxes	\$7,179,604		\$8,814,000
Intergovernmental revenues:			
State revenue sharing	1,584,688		
State grants			
Federal grants	113,665		
Use of money and property:			
Oil and gas royalties	648,780		
Fees and leases:			
Bohemian Spillway	240,000		
East Lakefront camps	28,750		
Other locations	34,804		
Interest earnings	681,584	\$2,582,818	1,628,180
Miscellaneous	22,311		626,767
Total revenues	<u>10,458,748</u>	<u>2,582,818</u>	<u>10,179,835</u>
<b>EXPENDITURES</b>			
Flood and drainage protection			
Personal services	7,685,697		
Travel	15,305		
Contractual services	2,189,258		1,628
Materials and supplies	814,828		
Professional services	1,720,680		
Other charges	65,563	1,671,767	61,260
Machinery and equipment	66,687		217,976
Capital expenditures			90,758,894
Debt service:			
Principal retirement		62,785,891	
Interest and bank charges		7,180,373	

(Continued)

The accompanying notes are an integral part of this statement.

TOTALS  
(MEMORANDUM ONLY)

<u>APR. 30, 1981</u>	<u>APR. 30, 1980</u>
\$15,700,937	\$14,804,789
1,884,898	1,883,544
143,858	2,180,802
545,705	388,189
342,829	28,579
28,780	13,858
54,835	27,708
4,770,888	8,180,843
589,878	89,140
<u>22,745,638</u>	<u>28,208,295</u>
7,808,987	8,041,843
18,208	19,804
2,157,804	2,288,188
914,838	767,277
1,720,888	3,258,770
1,764,728	888,577
300,083	288,708
85,768,881	19,188,722
83,788,897	1,831,388
7,180,272	51,958,378

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 GOVERNMENTAL FUNDS  
 Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances, 1997  
 (With Comparative Totals for the Year  
 Ended June 30, 1996)

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
<b>EXPENDITURES (CONT.)</b>			
Capital lease- principal			\$58,487
Capital lease- interest			22,862
Litigation settlement principal	1853,364		
Litigation settlement interest	38,595		
Total expenditures	<u>1,128,384</u>	<u>872,283,421</u>	<u>11,360,347</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>(2,718,526)</u>	<u>(68,920,825)</u>	<u>6,553,113</u>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Operating transfers in (note 3C)	4,541,671	4,325,468	412,185
Operating transfers out (note 3C)	(828,538)		(8,813,584)
Settlement of litigation	(880,310)		
Bond proceeds (note 11A)		6,775,800	
Gain (Loss) on sale of investments	(14,520)	1,913	(45,382)
Total other financing sources (uses)	<u>2,803,224</u>	<u>11,103,181</u>	<u>(8,795,181)</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>318,688</u>	<u>(58,818,205)</u>	<u>(14,829,870)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>2,281,033</u>	<u>83,151,058</u>	<u>48,676,373</u>
Prior year adjustment (note 3F)	(8,388)		
Financial equity transfer	<u>4,880,000</u>		
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$6,862,645</u>	<u>24,332,853</u>	<u>39,881,493</u>

(Continued)

The accompanying notes are an integral part of this statement.

TOTALS	
(MEMORANDUM ONLY)	
<u>JUNE 30, 1987</u>	<u>JUNE 30, 1988</u>
3308,487	3443,479
22,687	24,283
953,384	967,523
38,686	12,647
<u>127,858,780</u>	<u>49,438,807</u>
<u>(76,222,264)</u>	<u>(21,282,878)</u>
8,876,260	12,777,468
19,343,920	111,380,498
(480,318)	(176,338)
8,776,868	
<u>(56,822)</u>	<u>(215,603)</u>
<u>5,267,338</u>	<u>1,824,788</u>
<u>(72,532,186)</u>	<u>(76,247,881)</u>
121,708,472	180,488,280
(8,786)	
<u>4,808,080</u>	
<u>121,708,472</u>	<u>180,488,280</u>
<u>121,708,472</u>	<u>173,186,412</u>

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1997**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$6,602,348	\$7,778,804	\$1,176,456
Intergovernmental revenues:			
State revenue sharing	1,588,000	1,584,688	(3,312)
Federal grants	71,808	713,955	642,147
Lease of money and property:			
Oil and gas royalties	578,288	545,782	(32,506)
Rents and leases:			
Botanical Society	342,828	342,828	
East Lakehurst camp	20,688	20,780	92
Other locations	32,888	34,832	1,944
Interest earnings	334,264	667,684	333,420
Miscellaneous	21,784	22,211	427
Total revenues	<u>9,291,372</u>	<u>10,668,781</u>	<u>1,377,409</u>
<b>EXPENDITURES</b>			
Flood and drainage protection:			
Personal services	8,218,568	7,666,807	(551,761)
Travel	17,200	16,905	(295)
Contractual services	2,276,875	2,156,234	(120,641)
Materials and supplies	842,491	874,835	32,344
Professional services	1,734,852	1,728,640	(6,212)
Other charges	68,782	68,382	(400)
Machinery and equipment	88,629	82,657	(5,972)
Debt service:			
Litigation settlement principal	682,000	583,284	(98,716)
Litigation settlement interest		26,688	26,688
Total expenditures	<u>14,607,797</u>	<u>13,735,982</u>	<u>871,815</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>(5,316,425)</u>	<u>(3,067,201)</u>	<u>(2,249,224)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual, 1987**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE (FAVORABLE /UNFAVORABLE)</u>
<b>OTHER FINANCING SOURCES (uses)</b>			
Operating transfers in	\$0,000,000	\$0,041,071	\$011,710
Operating transfers out	(200,000)	(200,000)	
Statement of litigation	(110,240)	(480,040)	(369,800)
Less on sale of investments		(74,000)	(74,000)
<b>Total other financing sources (uses)</b>	<u>\$0,000,000</u>	<u>1,007,031</u>	<u>\$1,071,710</u>
<b>EXCESS OF EXPENDITURES AND OTHER USES OVER REVENUES AND OTHER SOURCES</b>	<b>1,791,001</b>	<b>4,018,000</b>	<b>2,227,407</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>(10,000,000)</b>	<b>2,287,000</b>	<b>12,287,000</b>
Four year equipment		(8,780)	(8,780)
<b>FUND BALANCE AT END OF YEAR</b>	<u><b>(10,791,001)</b></u>	<u><b>\$0,000,000</b></u>	<u><b>\$10,791,001</b></u>

(Continued)

The accompanying notes are an integral part of this statement.



**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
PROPRIETARY FUNDS - ENTERPRISE FUNDS**

**Combined Statement of Revenues, Expenses,  
and Changes in Retained Earnings  
For the Year Ended June 30, 1997  
(With Comparative Totals for the Year  
Ended June 30, 1996)**

	<u>JUNE 30, 1997</u>	<u>JUNE 30, 1996</u>
<b>OPERATING REVENUES</b>		
Fees:	\$1,955,289	\$1,237,683
Fuel, materials and fees	3,435,981	3,858,198
Docking fees	3,895,727	5,168,088
Other	85,710	314,570
Total operating revenues	<u>9,372,707</u>	<u>10,578,539</u>
<b>OPERATING EXPENSES</b>		
Personal services	2,844,000	1,951,943
Travel	2,685	5,971
Contractual services	894,541	831,231
Materials and supplies:		
Fuel	2,757,487	2,233,131
Other	958,973	298,080
Professional services	218,290	118,584
Other charges - maintenance contracts, etc.	292,680	1,442,137
Depreciation	3,818,780	3,907,652
Total operating expenses	<u>15,383,186</u>	<u>12,717,799</u>
<b>OPERATING INCOME (Loss)</b>	<u>(6,010,479)</u>	<u>(2,139,260)</u>
<b>NONOPERATING REVENUES (Expenses)</b>		
Interest earned on investments	\$11,085	2,212,080
Debt service - interest and bank charges	(1,895,308)	(4,865,681)
Federal and state grants	752,884	2,798,478
Extraordinary loss on refunding	(848,181)	
Forfeiture of deposit	348,080	
Settlement of litigation	(58,080)	
Bond issuance costs	(758,076)	(117,184)
Total nonoperating revenues (expenses)	<u>(1,198,696)</u>	<u>(2,979,307)</u>
<b>INCOME (Loss) BEFORE OPERATING TRANSFERS</b>	<u>(7,209,175)</u>	<u>(5,118,567)</u>

(Continued)

The accompanying notes are an integral part of this statement.

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 PROPRIETARY FUNDS - ENTERPRISE FUNDS  
 Combined Statement of Revenues, Expenses,  
 and Changes in Retained Earnings, 1997  
 (With Comparative Totals for the Year  
 Ended June 30, 1996)

	<u>JUNE 30, 1997</u>	<u>JUNE 30, 1996</u>
<b>OPERATING TRANSFERS</b>		
Operating transfers in (note 30)	\$787,668	\$329,800
Operating transfers out (note 30)	<u>(585,719)</u>	<u>(2,795,800)</u>
Total operating transfers	<u>\$201,949</u>	<u>(2,466,000)</u>
<b>NET INCOME (Loss)</b>	<u>(2,429,870)</u>	<u>(692,877)</u>
<b>RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR</b>	(18,662,366)	(18,789,806)
Prior period adjustment (note 37)	<u>295,468</u>	<u>(400,800)</u>
<b>RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR AS RESTATED</b>	<u>(18,366,898)</u>	<u>(19,190,606)</u>
<b>RETAINED EARNINGS (Deficit) AT END OF YEAR (note 2)</b>	<u>(\$19,421,282)</u>	<u>(\$19,883,483)</u>

(Continued)

The accompanying notes are an integral part of this statement.

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
PROPRIETARY FUNDS - ENTERPRISE FUNDS

Combined Statement of Cash Flow  
For the Year Ended June 30, 1987  
(With Comparative Totals for the Year  
Ended June 30, 1986)

	JUNE 30, 1987	JUNE 30, 1986
Cash flows from operating activities:		
Operating income (loss)	(835,458)	\$1,825,908
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,019,700	2,987,852
Adjustment in beginning retained earnings	288,460	(480,808)
Adjustment to contributed capital	751	
Changes in assets and liabilities:		
(Increase) decrease in receivables	914,212	(1,082,148)
(Increase) decrease in due from other funds	2,148,887	1,479,812
(Increase) decrease in inventory	(41,884)	81,798
Increase in other assets		(750)
Increase (decrease) in payables	(7,786,212)	742,818
Increase (decrease) in deferred revenues	15,927	389,737
Increase (decrease) in due to other funds	1,636,621	4,125,242
Increase (decrease) in other liabilities	(240,474)	(70,888)
Increase in accrued compensated absences	6,851	26,287
Net cash provided (used) by operating activities	<u>8,773,778</u>	<u>12,197,348</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	757,588	535,858
Operating transfers out to other funds	(389,778)	(2,789,888)
State and federal grants	783,894	2,789,478
Forfeiture of deposits	340,850	
Contract settlements	(58,000)	
Net cash provided by noncapital financing activities	<u>1,383,554</u>	<u>371,528</u>
Cash flows from capital and related financing activities:		
Principal paid on bonds	(21,266,478)	(911,808)
Advances from other funds	(254,908)	(171,508)
Interest paid on bond maturities (excluding amortized premium and discount on bonds payable)	(4,523,897)	(3,073,798)
Bond issuance costs	(785,252)	(940,752)
Extraordinary loss on refunding	(545,151)	
Acquisition of capital assets	(274,801)	(8,152,114)
Residual equity transfer	(4,829,888)	
Net cash used in capital and related financing activities	<u>(31,735,281)</u>	<u>(13,081,391)</u>

(Continued)

The accompanying notes are an integral part of this statement.

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 PROPRIETARY FUNDS - ENTERPRISE FUNDS  
 Combined Statement of Cash Flows, 1997  
 (With Comparative Totals for the Year  
 Ended June 30, 1996)

	<u>JUNE 30, 1997</u>	<u>JUNE 30, 1996</u>
Cash flows from investing activities:		
Receipt of interest and dividends earned on investments	\$911,008	\$2,212,859
Proceeds from guaranteed insurance contracts	32,080,183	949,288
Net cash provided by investing activities	<u>32,991,191</u>	<u>3,162,147</u>
Net increase in cash	NONE	NONE
Cash at beginning of year	<u>35,200</u>	<u>35,200</u>
Cash at end of year	<u>\$35,200</u>	<u>\$35,200</u>
Noncash investing, capital, and financing activities:		
Assets acquired by transfer	\$1,428	\$16,105
Assets transferred to other funds	(7,248)	(17,137)
Assets written off	<u>(1,398)</u>	<u>708</u>
Total noncash investing, capital, and financing activities	<u>(\$7,218)</u>	<u>\$1,676</u>

(Continued)

The accompanying notes are an integral part of this statement.

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
PROPRIETARY FUNDS - ENTERPRISE FUNDS

Combined Statement of Revenues, Expenses,  
and Changes in Retained Earnings - Budget  
(GAAP Basis) and Actual  
For the Year Ended June 30, 1997

	BUDGET	ACTUAL	VARIANCE (FAVORABLE (UNFAVORABLE))
<b>REVENUES</b>			
Rentals	\$1,940,788	\$1,883,000	(\$57,788)
Fuel/leak sales and fees	3,004,800	3,408,881	404,081
Commissions - welding machines	4,000	714	(\$3,286)
Transfer fees	2,000	1,200	(\$800)
Mooring slips	87,180	80,688	(\$6,492)
Gaming fees	2,788,880	3,880,127	1,091,247
Miscellaneous	88,000	85,000	(\$3,000)
Total revenues	<u>10,143,828</u>	<u>10,241,728</u>	<u>98,900</u>
<b>EXPENSES</b>			
Personnel services	\$1,113,407	\$,844,000	(\$269,407)
Taxes	2,000	2,000	0
Contractual services	884,324	884,847	(\$523)
Materials and supplies			
Fuel fees	2,714,800	2,787,407	(\$72,607)
Other	507,130	568,875	(\$61,745)
Professional services		218,000	(\$218,000)
Other charges	173,888	282,880	(\$108,992)
Depreciation	3,070,000	3,078,700	(\$8,700)
Total expenses	<u>9,189,329</u>	<u>9,283,185</u>	<u>(\$93,856)</u>
<b>OPERATING INCOME (Loss)</b>	<u>954,500</u>	<u>(\$41,458)</u>	<u>(\$959,958)</u>
<b>NONOPERATING REVENUES (Expenses)</b>			
Interest earned on investments		87,1088	871,088
Debt service - interest and bank charges	(3,483,300)	(3,686,338)	(\$203,038)
Federal and state grants		753,894	753,894
Extraordinary loss on refunding		(648,101)	(\$648,101)
Penalties on deposit		348,800	348,800
Settlement of litigation		(38,000)	(\$38,000)
Bond issuance costs		(738,018)	(\$738,018)
Total nonoperating revenue (expenses)	<u>(3,483,300)</u>	<u>(3,154,005)</u>	<u>(\$329,295)</u>
<b>LOSS BEFORE OPERATING TRANSFERS</b>	<u>(2,534,811)</u>	<u>(3,195,443)</u>	<u>(\$660,632)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
**PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**Combined Statement of Revenues, Expenses,**  
**and Changes in Retained Earnings - Budget**  
**(GAAP Basis) and Actual, 1997**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<b>OPERATING TRANSFERS</b>			
Operating transfers in	5707,586	5707,586	
Operating transfers out	<u>(451,700)</u>	<u>(450,750)</u>	<u>(1,710)</u>
Total operating transfers	<u>418,886</u>	<u>360,870</u>	<u>(151,750)</u>
<b>NET LOSS</b>	<u>(2,120,164)</u>	<u>(2,826,870)</u>	<u>(706,601)</u>
<b>DEFICIT IN RETAINED EARNINGS AT</b> <b>BEGINNING OF YEAR</b>	<u>(17,358,000)</u>	<u>(18,802,180)</u>	<u>156,170</u>
From year adjustment (page 21)		<u>(206,460)</u>	<u>(206,460)</u>
<b>DEFICIT IN RETAINED EARNINGS AT</b> <b>BEGINNING OF YEAR, AS RESTATED</b>	<u>(17,564,000)</u>	<u>(19,008,700)</u>	<u>(444,600)</u>
<b>DEFICIT IN RETAINED EARNINGS AT</b> <b>END OF YEAR (2006.2)</b>	<u>(19,684,164)</u>	<u>(21,835,570)</u>	<u>(2,151,406)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of and for the Year Ended June 30, 1987

**INTRODUCTION**

The Orleans Levee District and its board of commissioners were established by Act 93 of the 1959 General Assembly (Legislature) of the State of Louisiana. The board has primary responsibility for the operation and maintenance of levees, embankments, seawalls, jetties, breakwaters, water basins, and other hurricane and flood protection improvements surrounding the City of New Orleans, including the southern shores of Lake Pontchartrain and along the Mississippi River. The board is responsible for the maintenance of almost 129 miles of levees and floodwalls. To enhance flood protection, the Orleans Levee District and the United States Corps of Engineers participate in several joint flood protection projects (note 32) relative to the Lake Pontchartrain and Vicinity Hurricane Protection Plan (High Levee Plan).

Act 282 of the 1926 Louisiana Legislature authorized the board to dedicate, construct, operate, and maintain public parks, beaches, marinas, aviation fields, and other like facilities. The board owns and operates a general aviation airport, the New Orleans Lakefront Airport. The board also owns and operates the Orleans Marina and the South Shore Harbor Marina. The Orleans Marina has 352 boat slips. The South Shore Harbor Marina, which was officially dedicated September 19, 1987, has a 40-acre calm water basin, 447 open boat slips, and 28 covered boat slips. In addition, Orleans Levee District receives certain gaming related monies from a steamboat operator located at the South Shore Harbor Marina. The board has approximately 350 employees, which include 60 police officers, 28 firefighters, and 6 maritime (harbor master) officers.

The board is governed by eight commissioners, six of whom are appointed by the governor. Two commissioners serve in an ex-officio capacity, the mayor of the City of New Orleans or his designee and one member appointed by the mayor from a list of three city councilmen selected by the members of the city council of New Orleans.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards.

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

**B. REPORTING ENTITY**

GASB Codification Section 2100 has 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 Orleans 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.

Certain component units are blended or reported as part of the levee district because the relationship between the component unit and the levee district is such that although the component unit is legally separate, it is substantively the same as the levee district. The levee district has included the Floodcomer Fund as a blended component unit in the enterprise funds.

**C. FUND ACCOUNTING**

The levee 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.

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 financial resources.

Funds of the levee district are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows:

**Governmental Funds**

Governmental funds account for all or most of the levee 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:

1. **General Fund**—the general operating fund of the levee district and accounts for all financial resources, except those required to be accounted for in other funds.



**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

2. **Debt Service Fund**—accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
3. **Capital projects funds**—account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other funds.

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Proprietary funds of the levee district consist of enterprise funds that account for the operations of the community center, marina, and airport. The district also reports the operations of the public benefit corporation that it created to oversee a long-term lease with a private corporation to lay fiber-optic cables on the levees of the Orleans Levee District as an enterprise fund. The intent of the levee district for these facilities is (a) that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**D. 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 households in the parish) 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 (R.S.) 47:1897(b), ad valorem taxes

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
**Notes to the Financial Statements (Continued)**

are assessed for the calendar year, become due on the first day of January each year, and become delinquent on the first day of February. 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.

Interest income on investments held at year-end is accrued.

Substantially all other revenues are recorded when received.

**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, and principal on general long-term debt, which is not recognized until due.

**Other Financing Sources (Uses)**

Other financing sources (uses), representing transfers between funds that are not expected to be repaid, and proceeds from bonds are recognized when they become available and measurable. Litigation settlements and gain or loss on sale of investments are recognized in the period in which they occur.

Proprietary funds are accounted for using a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. The proprietary funds - enterprise funds use the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Major revenues and expenses are recorded as follows:

**Revenues**

Rentals and fuel firm sales are recorded as operating revenues in the accounting period in which they are earned.

Gaming fees are recorded as operating revenues in the accounting period in which they are earned.

Interest income and federal and state grants are recognized as nonoperating revenue in the accounting period in which they are earned.

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**Expenses**

Salaries are recognized as expenses in the accounting period earned by employees.

Depreciation expense on all exhaustible fixed assets is determined by the straight-line method using the estimated useful life and is recorded as an operating expense during the accounting period.

Substantially all other expenses are recognized when incurred.

**E. BUDGET PRACTICES**

The levee district prepares its budget in accordance with R.S. 35:518. The budget is prepared on a modified accrual basis for the General Fund and on an accrual basis for the enterprise funds. The budget for the fiscal year ended June 30, 1997, was adopted on March 20, 1996, and subsequent amendments were adopted on June 19, 1996, July 19, 1996, October 15, 1996, February 28, 1997, March 16, 1997, May 21, 1997, and June 16, 1997. Formal budget integration is employed as a management control device during the year for the General Fund and the enterprise funds. The Debt Service Fund is not budgeted; however, operating transfers relating to debt service are budgeted in the General Fund. For budget purposes, the residual equity transfer shown in Statement B is included in operating transfers in. All appropriations lapse at year-end, and any encumbrances outstanding at year-end in the governmental funds are included in the next year's budget with funds appropriated in this year to finance them.

**F. CASH AND INVESTMENTS**

Cash includes petty cash, demand deposits, and cash with paying agents. Under state law, the Orleans Levee District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the levee district may invest in certificates of deposit of S&B banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the levee district may invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements or in eligible mutual funds that invest in these securities. In addition, the levee district may invest bond proceeds and monies held in any fund established in connection with bonds in any direct obligation of, or obligation guaranteed by, the United States and in the exempt bonds until proceeds or monies are required to be expended for the purpose of the issue. Investments are stated at cost.

**G. INVENTORY**

The levee district maintains a perpetual inventory system for general government materials and supplies and fuel purchased for resale by New Orleans Lakefront Airport (enterprise fund). The general government inventory is recorded as an expenditure in the General Fund at the time the individual items are withdrawn from stock. The general government inventory is valued at average cost. The year-end balance consists of food protection items that could be needed at any time. The fuel purchases are recorded as an expense in the above mentioned enterprise fund when consumed. The fuel purchases are valued at cost using the first-in, first-out (FIFO) method.

**H. RESTRICTED ASSETS**

Restricted assets represent proceeds from debt and funds set aside for payment of enterprise fund general obligation debt. These funds are classified as restricted assets since their use is limited by applicable bond indentures.

**I. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable fund balance, is employed as an extension of formal budget legislation in the General Fund and capital projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute available spendable resources.

**J. DEFERRED CHARGES**

Deferred charges consist of unamortized bond issue costs. These costs are capitalized and amortized over the term of the bonds using the costs outstanding method, which approximates the effective interest method.

**K. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Bridges acquired before 1985 are the only infrastructures that are capitalized. They are shown in the general fixed assets account gross as improvements other than buildings. No depreciation has been provided on general fixed assets. Purchased fixed assets are valued at historical cost. Donated fixed assets, which comprise less than one percent of total assets, are valued at their fair market value on the date donated.

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

All assets and liabilities (current and noncurrent) associated with proprietary fund type operations (enterprise funds) are included on the enterprise funds' balance sheet. Contributed capital used to purchase fixed assets is not amortized.

Depreciation of all exhaustible fixed assets used by the enterprise funds is charged as an expense against operations. Enterprise fixed assets are reflected on the enterprise balance sheet net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives as follows:

	<u>Years</u>
Buildings	20-50
Improvements other than buildings	15-30
Furniture and equipment	7-10

**L. DEFERRED REVENUES**

These are amounts collected in the current accounting period for which asset recognition criteria have been met, but for which revenue criteria have not been met.

**III. 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 350, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

**IV. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds, including long-term debt and compensated absences for accumulated unpaid annual leave benefits of General Fund employees, are accounted for in the general long-term obligations account group, net in the governmental funds. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

**G. POSTEMPLOYMENT HEALTH CARE  
AND LIFE INSURANCE BENEFITS**

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

**H. DEFERRED COMPENSATION PLAN**

Certain employees of the Orleans Levee District participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 407. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

**I. FUND EQUITY**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital contributions from other governments or other funds when such resources are restricted for the acquisition or construction of capital assets. Residual equity transfers from governmental funds are recorded as contributed capital in proprietary funds.

**Reserves**

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**R. BOND PREMIUMS AND DISCOUNTS**

Bond premiums and discounts for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as additions to the face amount of bonds payable and bond discounts are presented as reductions to the face amount of bonds payable (note 17).

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**S. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**T. TOTAL COLUMNS ON COMBINED STATEMENTS**

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

**U. COMPARATIVE DATA**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the levee district's financial position and operations.

**3. DEFICIT IN RETAINED EARNINGS**

As shown on Statement D, the enterprise funds have a deficit in total retained earnings of \$19,421,360, for the year ended June 30, 1997. Individual enterprise funds with deficit retained earnings at June 30, 1997, include the South Shore Harbor Marine and the New Orleans Lakefront Airport funds with amounts of \$13,142,974 and \$14,048,205, respectively.

Management of the levee district plans to address the deficit in retained earnings in the enterprise funds by proposing the following actions:

**1. South Shore Harbor Marine**

- a. Annual debt service savings will be realized as a result of the combination of the conversion of the 1988 Public Improvement Bonds from a variable interest rate to a fixed interest rate on December 1, 1995, and the defeasance of the 1987 Public Improvement Bonds in October of 1996.

**ORLEANS LEVEE DISTRICT**

**STATE OF LOUISIANA**

**Notes to the Financial Statements (Continued)**

- b. Continue the marketing efforts for the leasing of the boathouses on a long-term basis and increasing occupancy of the open slips. Two large "T" docks are planned to increase revenue by accommodating vessels up to 150 feet.
- c. The Finance Committee of the District is actively monitoring the economic impact of Bally's including gaming revenues, rental income, and additional capital investment by Bally's. Continue cooperative efforts to maximize revenues and benefits to both parties.
- d. Continue efforts to attract outside development on the southern land area, which could include a boat repair facility, marine supply shop, boat launch, and other retail facilities. Application for federal grant funds is pending for the addition of the boat launch, ADA ramp, and three large permanent slips.

**3. New Orleans Lakefront Airport**

- a. Continue marketing and advertising efforts to attract commercial flight services and increase fuel sales.
- b. Implement reduction in personnel costs at the Aircraft Rescue and Fire Fighting Section by changing shifts, reducing the staff numbers, etc.
- c. Continue airfield improvements and expansion with federal and state sponsor funding to enhance flight operations.
- d. Implement the reassignment of personnel and other costs, which should be more appropriately assigned to other funds. In addition, the foregone rent for the Lakefront Airport Administration Building (air space used to the GLD administrative offices) will be reviewed for possible allocation to the proper funds.
- e. Reduce other costs associated with operating Lakefront Airport such as turning off the runway and taxiway lights and signs from 10 p.m. to 6 a.m. and discontinuing the use of a second fire truck.

These projected activities by the Orleans Levee District are intended to address the short-term as well as the long-term financial strategy to begin relieving the present deficit condition in both enterprise funds. Obviously, the turnaround will not be accomplished within the time frame of one fiscal period, but the current Board of Commissioners is committed to maximizing revenues and decreasing expenditures throughout the entire agency.



ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

3. EXPENSES - ACTUAL AND BUDGET

The Lake Vista Community Center Enterprise Fund has budgeted expenses of \$84,061 and actual expenses of \$130,376, resulting in an unfavorable variance of \$72,315. The South Shore Harbor Marina Enterprise Fund has budgeted expenses of \$1,814,139 and actual expenses of \$2,268,638, resulting in an unfavorable variance of \$354,510. The New Orleans Lakefront Airport Enterprise Fund has budgeted expenses of \$5,777,964 and actual expenses of \$7,005,535, resulting in an unfavorable variance of \$828,551.

Budget amendments were made to the enterprise funds through board approved resolutions and administrative authorization. Based on future operations, more extensive monitoring and amendments may be requested, as appropriate, to stabilize any unfavorable variances.

4. CASH

At June 30, 1997, the levee district has cash (bank balances) totaling \$1,031,242, which is shown on Statement A as \$162,057 of cash and \$869,185 of restricted cash (note 15).

Petty cash	\$700
Demand deposits	260,591
Cash with paying agent	<u>798,951</u>
Total	<u>\$1,031,242</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance and/or similar federal security 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 bank in a custodial bank that is mutually acceptable to both parties. At June 30, 1997, the levee district has \$1,268,000 in deposits (collected bank balances). These deposits are secured from risk by \$138,280 of federal deposit insurance. In addition, \$1,131,717 of pledged securities are held by the custodial banks in the name of the fiscal agent banks (GASB Category 3).

5. INVESTMENTS

At June 30, 1997, investments of the levee district total \$66,776,778, which is shown on Statement A as \$62,518,515 of investments, \$1,034,268 as investments held for settlement of litigation, and \$3,223,995 of restricted assets (note 15).

ORLEANS LEVEE DISTRICT  
 STATE OF LOUISIANA  
 Notes to the Financial Statements (Continued)

A summary of levee district investments follows:

	Carrying Amount		Total	Market Value
	Governmental Funds	Enterprise Funds		
<b>Governmental Securities</b>				
United States Treasury obligations	\$78,000,000	\$1,220,000	\$79,220,000	\$40,000,000
Federal National Mortgage Association	4,011,000		4,011,000	4,004,700
Federal Home Loan Bank	2,668,000		2,668,000	2,668,000
Federal Home Loan Mortgage	2,071,000		2,071,000	2,071,000
Federal Farm Credit Bank	1,401,000		1,401,000	1,400,000
Finance and Policy Authority	6,000,000		6,000,000	6,750,000
Governmental National Mortgage Association	<u>2,802,000</u>		<u>2,802,000</u>	<u>2,802,000</u>
Total governmental securities	<u>\$87,952,000</u>	<u>1,220,000</u>	<u>\$89,172,000</u>	<u>50,206,700</u>
Money market mutual funds	<u>3,000,713</u>	<u>None</u>	<u>3,000,713</u>	<u>3,000,713</u>
<b>Total investments</b>	<u>\$90,952,713</u>	<u>\$1,220,000</u>	<u>\$92,172,713</u>	<u>\$53,207,413</u>

Investments in governmental securities reflected in the governmental funds and the enterprise funds are stated at cost of \$89,392,000 and have a market value of \$53,207,413. These investments are direct obligations of the United States Department of Treasury and other federal governmental agencies. These investments are considered unsecured and unguaranteed for which the securities are not in the name of the levee district and are held by the fiscal agents and/or their trust departments. They are classified in Category 3 in applying the credit risk of GASB Codification Section 80-104.

The \$3,000,713 of money market mutual funds consist of shares of mutual funds that are investments in direct obligations of the United States Department of Treasury, other federal governmental agencies, and repurchase agreements involving these securities. These investments are not required to be classified as to category of credit risk by GASB Codification Section 80-104.

6. RECEIVABLES

At June 30, 1997, the levee district has receivable balances, totaling \$1,234,588, as follows:

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements (Continued)**

Class of Accounts	Governmental Funds			Proprietary	Total
	General	Debt Service	Capital Projects	Funds - Enterprise	
Cash - state	\$14,488		\$26,807	\$84,441	\$125,736
All other cash	\$98,787		\$89,719		\$188,506
Accounts receivable on investments	173,343	\$364,204	\$89,585	34,404	\$661,536
Fixed assets (net of fees)				173,093	173,093
Funds, leases, and other	30,000		126,417	\$60,504	216,921
<b>Total cash/other</b>	<b>\$317,618</b>	<b>\$364,204</b>	<b>\$1,412,528</b>	<b>\$418,042</b>	<b>\$1,512,492</b>

**7. ADVANCE TO/FROM OTHER FUNDS**

In a resolution approved on June 15, 1994, the board authorized calling the Lakefront Airport Series 1988 Fuel Flowage Revenue Bonds on September 1, 1994, from funds held in the related reserves and from the General Fund. In September 1994, the General Fund advanced \$2,430,769 to the Lakefront Airport Enterprise Fund. The balance of the advance at the beginning of the year was \$1,790,163. Net transfers of Fuel Flowage fees from the Lakefront Airport Enterprise Fund to the General Fund, in the amount of \$354,908, reduced this amount to \$1,435,255, at June 30, 1997. The resolution also required that the payout be amortized at 12 cents a gallon for 12 years or until such time that \$4,000,000 is collected.

**8. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$17,808,319			\$17,808,319
Buildings	8,133,850			8,133,850
Improvements other than buildings	10,832,138			10,832,138
Equipment	8,267,333	\$121,281	\$16,839	8,459,854
<b>Total</b>	<b>\$44,841,640</b>	<b>\$121,281</b>	<b>\$16,839</b>	<b>\$44,946,082</b>

A summary of fixed assets and related depreciation at June 30, 1997, for the enterprise funds is as follows:

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

50. HEALTH INSURANCE PROGRAM

Until December 31, 1990, the levee district operated a self-insurance group medical and dental benefit plan administered by Citicorp, Incorporated. The plan was financed by contributions from the employer for all employee basic coverage and additional contributions from the employee for the dependent and retiree portion of coverage. The plan was underwritten by the Equitable Life Assurance Society of the United States. Employees were required to submit a notice of claim no later than 90 days after injury or illness had occurred. These claims were submitted to the administrator for review and processing of eligible benefits as prescribed by the health plan. The administrator prepared a weekly report of claims and forwarded it to the levee district's finance department for review and documentation of the deposit needed to cover amounts that were disbursed. Also, the levee district paid the administrator monthly administrative costs. For the year ended June 30, 1987, the cost of the program was \$1,200,870, which represented \$1,102,075 of reported claim costs and \$158,795 of administrative costs. During the year, the program was financed by employee contributions of \$108,613, an employer contribution of \$907,350, and excess re-insurer reimbursements of \$244,197 for a total of \$1,260,870. The estimate that follows was based on a schedule provided by the administrator of the program.

A summary of changes in claims liabilities for the health insurance program follows:

Claims payable at June 30, 1986	\$117,040
Claims reported during fiscal year 1987	1,102,075
Less:	
Prior year claims paid	(117,040)
Current year claims paid	<u>(1,102,075)</u>
Claims payable at June 30, 1987	<u>RD&amp;E</u>

With the end of the self-insured plan at December 31, 1990, certain claims remained. These claims must be analyzed before any determination as to validity or amounts are made. The total of all such claims approximates \$18,000. The amount of any liability cannot be determined at this time, and, accordingly, no liability has been recorded.

Annually, 15 percent of salary costs are budgeted for the health insurance program. In addition to the amount budgeted, the levee district has a designation of fund balance in the General Fund for the health insurance program of \$413,891 (note 22) at June 30, 1987.

In January 1987, the levee district entered into a one-year agreement with Principal Health Care of Louisiana that provides a Triple Option HMO Point of Service Plan as the basis of a health plan for its employees and retirees. This type of plan is an insured plan with costs negotiated by contract on the basis of the number of employees and specific coverage selected. Employees and retiree contributions for this plan totaled \$126,384 and employer contributions totaled \$880,453.

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**Notes to the Financial Statements (Continued)**

The district also entered into an agreement with Paid Dental to provide dental benefits for a set cost per participant. The total expenditure for dental coverage was \$73,992.

**11. WORKERS' COMPENSATION INSURANCE PROGRAM**

The levee district operates a self-insurance workers' compensation plan administered by ITT Specialty Risk Services, Incorporated. The plan is financed by contributions from the employer. The levee district's excess workers' compensation insurance carrier is Hartford Insurance. Employees are required to submit a notice of claim no later than 30 days after injury or illness has occurred. These claims are submitted to the administrator for review and processing of eligible benefits as prescribed by the plan. A seven-day waiting period is required from date of injury or illness before benefits can be allowed under the plan. The administrator prepares a monthly report of claims, which is forwarded to the levee district's auxiliary services department for review and documentation. The report is then forwarded to the finance department for preparation of the deposit needed to cover amounts to be disbursed. Also, the levee district pays the administrator a monthly administrative cost, based on the type of claim. For the year ended June 30, 1997, the cost of the program was \$333,158, which represents \$188,280 of reported claims costs, \$28,081 of claim service fees, \$21,836 of administrative fees, and \$101,171 of premiums for excess workers' compensation insurance. The extent of obligations incurred, but not reported at June 30, 1997, totaling \$3,872, represents an immaterial amount paid in the subsequent period. The table that follows is based on data supplied by the administrator of the plan and payments made.

A summary of the changes in the claims liabilities of the workers' compensation program follows:

Claims payable at June 30, 1996	\$24,654
Claims reported for fiscal year 1997	188,280
Less:	
Prior year claims paid	(\$1,878)
Current year claims paid	<u>(154,158)</u>
Claims payable at June 30, 1997	<u>\$38,917</u>

Annually, the costs of the program are budgeted based on advisement by the insurance consultant. The levee district has a designation of fund balance in the General Fund for the workers' compensation plan of \$100,000 (note 27) at June 30, 1997.

Because of the degree of risk assigned and assumed, the insurance carrier and the levee district have agreed on certain coverage limits for the policy period from July 1, 1996, to July 1, 1997. The Orleans Levee District will assume claims up to \$225,000 per accident/injury per employee on a self retention plan. The specific excess coverage will pay an unlimited amount after \$225,000 per accident/injury. In the event the levee district's total self retentions exceed

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the aggregate retention of \$1,100,000 during the annual policy period, the insurance carrier will pay up to \$1,000,000 in excess coverage.

**12. POSTEMPLOYMENT HEALTH CARE  
AND LIFE INSURANCE BENEFITS**

Substantially all levee district employees become eligible for postemployment health care, dental, and life insurance benefits if they reach normal retirement age while working for the levee district. These benefits for retirees and similar benefits for active employees are provided through either an insurance company or a health maintenance organization whose premiums are paid jointly by the employee and by the levee district. For 1997, the cost of providing these benefits for the 67 retirees totaled \$200,148.

**13. COMPENSATED ABSENCES**

At June 30, 1997, employees of the levee district have accumulated and vested \$671,729 of employee leave benefits, which was computed in accordance with GASB Codification Section 200. Of this amount, \$723,855 is recorded within the general long-term obligations account group, and \$147,879 is accounted for within the enterprise funds.

**14. LEASE AND RENTAL COMMITMENTS**

The levee district has entered into several noncancelable operating leases for four copiers for 60 months and one copier for 48 months. The annual operating lease payments for the next two fiscal years are presented as follows:

Fiscal year:	
1997-98	\$32,421
1998-99	37,876
Total	<u>\$70,297</u>

All lease agreements have non-appropriation exculatory clauses that allow for lease cancellation if the levee board does not make an appropriation for their continuation during any future fiscal period.

**15. RESTRICTED ASSETS**

Restricted assets in the South Shore Harbor Marine Fund at June 30, 1997, in the amount of \$3,585,230, as Statement A, consists of \$282,236 of cash with fiscal agent for the Public Improvement Fixed Rate Refunding Bonds, Series 1986, and \$3,222,994 of United States Treasury Notes for the Public Improvement Fixed Rate Refunding Bonds, Series 1987.

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**Notes to the Financial Statements (Continued)**

**16. PAYABLES**

The following is a summary of payables at June 30, 1997:

	Governmental Funds			Proprietary Funds - Enterprises	Total
	General	Debt Service	Capital Projects		
Accounts payable	\$214,374	\$49,911	\$62,844	\$489,344	\$816,473
Property taxes payable	465,719				465,719
Contracts payable	17,980		3,082,483	31,038	3,131,501
Salaries payable	600,846			18,728	1,200,379
Payroll deductions and employer's payable	124,880			24,029	148,909
<b>Total</b>	<b>\$1,423,779</b>	<b>\$49,911</b>	<b>\$3,145,327</b>	<b>\$573,139</b>	<b>\$5,192,156</b>

**17. CHANGES IN LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	Long-Term Obligations Payable at July 1, 1996	ISSUANCE	Reductions and Retirements	Long-Term Obligations Payable at June 30, 1997
General obligations bonds	\$661,000		(\$61,000)	\$600,000
Capital Recovery Funding Bonds	(4,500,000)		(214,000)	(4,714,000)
Lease improvements:				
Fixed Rate Refunding Bonds, Series 1996	61,750,000		(1,486,000)	60,264,000
Fixed Rate Refunding Bonds, Series 1997	51,900,000		(61,900,000)	
Variable Rate Refunding BONDS, Series 1996		\$1,771,000		\$1,771,000
Total general obligation bonds payable	<u>119,311,000</u>	<u>\$1,771,000</u>	<u>(\$63,384,000)</u>	<u>\$55,708,000</u>
Public improvement:				
Fixed Rate Refunding Bonds, Series 1996	54,750,000		(860,000)	53,890,000
Fixed Rate Refunding Bonds, Series 1997	22,100,000		(20,200,000)	1,900,000
Variable Rate Refunding Bonds, Series 1996		2,736,000		2,736,000
Total enterprise level bonds	<u>76,850,000</u>	<u>2,736,000</u>	<u>(\$2,060,000)</u>	<u>77,526,000</u>
Add - unamortized premiums	206,870		(89,882)	116,988
Less:				
Unamortized discounts	(89,874)		126,264	36,390
Unamortized loss on refunding			(145,588)	(145,588)
Total enterprise level bonds payable	<u>76,966,996</u>	<u>2,736,000</u>	<u>(\$2,069,206)</u>	<u>77,633,790</u>
Total bonds payable	<u>\$196,277,996</u>	<u>\$4,507,000</u>	<u>(\$65,453,206)</u>	<u>\$135,331,790</u>

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	Long-Term Obligations Payable at July 1, 1996	Additions	Deductions and Retirements	Long-Term Obligations Payable at July 31, 1997
Compensated absences	\$60,000	\$84,700		\$144,700
Debt fees	200,400		(200,400)	
Liquor settlement	1,800,000		(800,000)	1,000,000
Total	\$2,060,400	\$1,688,700	(\$800,400)	\$2,948,700

The additions to compensated absences during the 1996-97 fiscal year represent the net change during the year. The additions and deductions could not readily be determined. Therefore, the net additions and deductions are reflected in the previous summary.

General obligation bonds, demand bonds, and refunding bonds are comprised of the following individual issues:

**A. GENERAL OBLIGATION BONDS**

General obligation bonds are secured by the full faith, credit, and resources of the Orleans Levee District. General obligation bonds payable at the beginning of the year were \$465,800. Payments of \$45,800 reduced this amount to \$420,000 at June 30, 1997. This is the outstanding balance of the \$1,800,000 Public Improvement Bonds Series 1973A issued to improve the New Orleans Lakefront Airport. The bonds are due in future installments of \$60,000 to \$70,000 beginning October 1, 1997, through October 1, 2003. Interest to maturity amounts to \$84,314 at a rate of 5.4 percent through October 1, 2003. This obligation was not transferred to the New Orleans Lakefront Airport Enterprise Fund because the debt service will continue to be financed by resources of the General Fund.

**B. CAPITAL RECOVERY FUNDING BONDS**

On March 4, 1988, the Orleans Levee District issued \$25,000,000 of Capital Recovery Funding Bonds, which are secured on a junior lien basis, subject to certain prior claims as provided by the indenture and pledge of (1) the 5.48 mill ad valorem tax, (2) the 5.55 mill ad valorem tax, and (3) other security as provided in the indenture. The bonds bear interest at a rate that cannot be less than 3.5 percent or more than 13 percent. These bonds were issued to reimburse the levee district for prior capital expenditures. Capital Recovery Funding Bonds payable at the beginning of the year were \$24,600,500. Payments of \$216,000 reduced this amount to \$24,384,500 at June 30, 1997. The bonds are due in future annual installments of \$238,500 and \$24,155,500 on October 1, 1997, and October 1, 1998, respectively. On October 15, 1998, the latter of credit described in note 20 will expire and the levee board had to refinancing, restructure, or pay off the debt. The interest to maturity amounts to \$1,372,164 at a rate of 3.5 percent (the minimum rate the bonds can carry) through October 1, 1998.



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**C. LEVEE IMPROVEMENT FIXED  
RATE BONDS, SERIES 1995**

On August 29, 1995, the levee district issued \$94,929,000 in Levee Improvement Variable Rate Demand Bonds, which were issued to advance refund \$53,111,000 of outstanding Levee Improvement Refunding Bonds Series 1995. On December 1, 1995, the levee district converted \$94,790,000 of the Levee Improvement Variable Rate Demand Bonds to a fixed interest rate of 5.95 percent. Payments of \$1,485,000 reduced this amount to \$55,295,000 at June 30, 1997. The Levee Improvement Fixed Rate Refunding Bonds, Series 1996 are secured by the 5.55 mill ad valorem tax and the scheduled payment of principal and interest are guaranteed under insurance policies issued by Financial Security Assurance, Inc. The interest to maturity amounts to \$25,768,189 at a rate of 5.95 percent through November 1, 2014. The bonds are due in future annual installments of \$1,569,000 to \$5,205,000, beginning November 1, 1997, through November 1, 2014.

**D. LEVEE IMPROVEMENT FIXED  
RATE REFUNDING BONDS, SERIES 1997**

On August 4, 1997, the levee district issued \$51,505,000 of Levee Improvement Fixed Rate Refunding Bonds, Series A and \$2,845,882 of Levee Improvement Fixed Rate Junior Lien Refunding Bonds, Series 1997-B. Fixed rate refunding bonds payable at the beginning of the year were \$51,650,882. Payments of \$55,881 reduced the amount to \$51,595,000 at November 1, 1996. As discussed in note 17-E and note 15, on November 1, 1996, the levee district redeemed these bonds with the remaining proceeds from the Series A Escrow Account, issuing \$5,775,000 in Levee Improvement Variable Rate Bonds, Series 1998 and with \$1,400,000 in other funds of the levee district.

**E. LEVEE IMPROVEMENT VARIABLE  
RATE REFUNDING BONDS, SERIES 1998**

On October 29, 1996, the levee district issued \$5,775,000 in Levee Improvement Variable Rate Refunding Bonds. The proceeds of this issue, along with other funds, were used to current refund the remaining Levee Improvement Fixed Rate Refunding Bonds, Series 1997 on November 1, 1996. The Levee Improvement Variable Rate Refunding Bonds, Series 1998, with an outstanding balance of \$5,775,000, are secured by a junior claim on the 5.55 mill ad valorem tax. These bonds are due in future annual installments of \$245,000 to \$575,000 beginning November 1, 1998, through November 1, 2014. The bonds, which have a maximum rate of 14 percent, carry an initial rate of interest of 5.4 percent through November 1, 2003. The interest rates will be reset on November 1, 2003, and November 1, 2010, based on the same formula that yielded 5.4 percent for the initial period. The interest to maturity,

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calculated using 5.4 percent for the initial period, and an estimated 5.4 percent for the subsequent periods, amounts to \$4,263,850 through November 1, 2014.

**F. PUBLIC IMPROVEMENT FIXED  
RATE BONDS, SERIES 1986**

On August 29, 1986, the levee district issued \$36,235,000 in Public Improvement Variable Rate Demand Bonds, which were issued to advance refund \$29,029,000 of outstanding Marine Refunding Bonds, Series 1985. On December 1, 1986, the levee district converted \$34,766,000 of the Public Improvement Variable Rate Demand Bonds to a fixed interest rate of 5.95 percent. Payment of \$985,000 reduced this amount to \$33,781,000 at June 30, 1987. The Public Improvement Fixed Rate Bonds, Series 1986 are secured by the 5.46 mill ad valorem tax and the scheduled payment of principal and interest are guaranteed under insurance policies issued by Financial Security Assurance, Inc. The interest to maturity amounts to \$23,121,552 at a rate of 5.95 percent through November 1, 2015. The bonds are due in future annual installments of \$820,000 to \$3,955,000, from November 1, 1987, through November 1, 2015.

**G. PUBLIC IMPROVEMENT FIXED  
RATE REFUNDING BONDS, SERIES 1987**

On August 5, 1987, the levee district issued \$33,087,571 of Public Improvement Fixed Rate Refunding Bonds, Series 1987-A and \$1,168,734 of Public Improvement Fixed Rate Junior Lien Refunding Bonds, Series 1987-B. Public Improvement Fixed Rate Refunding Bonds payable at the beginning of the year were \$33,155,683. Payments of \$33,087 reduced the amount to \$33,087,571 at November 1, 1989. As discussed in note 17-H and note 19, on November 1, 1990, the levee district redeemed \$32,960,000 of these bonds with the remaining proceeds from the Series A Escrow Account, issuing \$2,795,000 in Public Improvement Variable Rate Bonds, Series 1990 and with \$334,360 in other funds of the levee district. The levee district used \$2,797,000 of these funds to establish an escrow account to pay the accumulated interest and the principal of the remaining Series A bonds. The remaining Series A bonds of \$117,571 are due in future annual installments of \$54,219 to \$26,268 beginning November 1, 1997, through November 1, 1999. Interest is compounded at the rate of 5.00 to 5.25 percent and had accrued to \$2,112,735 at June 30, 1997, and will be payable only at maturity or redemption. The interest to maturity amounts to \$3,000,430 through November 1, 1999.

**H. PUBLIC IMPROVEMENT VARIABLE  
RATE REFUNDING BONDS, SERIES 1990**

On October 29, 1990, the levee district issued \$2,795,000 in Public Improvement Variable Rate Refunding Bonds. The proceeds of this issue, along with other funds,

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Notes to the Financial Statements (Continued)

were used to current refund the remaining Public Improvement Fixed Rate Refunding Bonds, Series 1987 on November 1, 1998. The Public Improvement Variable Rate Refunding Bonds, Series 1995, with an outstanding balance of \$2,785,000, are secured by a junior claim on the 5.48 mill ad valorem tax. These bonds are due in future annual installments of \$95,000 to \$230,000 beginning November 1, 1998, through November 1, 2015. The bonds, which have a maximum rate of 14 percent, carry an initial rate of interest of 5.4 percent through November 1, 2003. The interest rates will be reset on November 1, 2003, and November 1, 2010, based on the same formula that yielded 5.4 percent for the initial period. The interest to maturity, calculated using 5.4 percent for the initial period, and an estimated 6.40 for the subsequent periods, amounts to \$1,871,170 through November 1, 2015.

The annual requirements to amortize all bonds outstanding at June 30, 1997, including total interest to maturity of \$93,474,548, are as follows:

Fiscal Year	General Obligation Bonds	Capital Recovery Funding Bonds	Levee Improvements Refunding Bonds	
			Fixed Rate Series 1985	Variable Rate Series 1986
1998	\$71,305	\$1,879,451	\$4,832,750	\$787,160
1999	73,495	24,577,713	4,940,021	805,000
2000	70,826		4,850,748	805,155
2001	72,420		4,874,098	801,038
2002	74,646		4,898,283	805,105
Thereafter	142,426		86,777,321	7,833,795
Total	<u>\$594,215</u>	<u>\$25,857,164</u>	<u>\$91,064,188</u>	<u>\$11,236,853</u>

**16. DEMAND BOND ISSUE**

The levee district has one outstanding demand bond issue (Capital Recovery Funding Bonds) (note 17-B) as of June 30, 1997, which is subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice to the paying agent and remarketing agent. The remarketing agent is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal amount plus accrued interest, if any. The levee district is required to pay the remarketing agent a fee on a quarterly basis equal to one-eighth of one percent (.00125) of the average principal amount of bonds outstanding.

**Public Improvements  
Refunding Bonds**

Fixed Rate		Variable Rate	Total
Series 1995	Series 1997	Series 1995	
\$2,910,572	\$1,070,000	\$316,000	\$11,070,088
2,914,047	1,070,000	343,100	34,323,978
2,929,660	1,070,000	242,660	9,783,648
2,929,668		341,760	8,716,348
2,936,236		340,685	8,744,354
<u>43,429,654</u>		<u>3,370,236</u>	<u>120,589,725</u>
<u>387,036,152</u>	<u>\$3,210,000</u>	<u>34,683,178</u>	<u>\$193,177,520</u>

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**Notes to the Financial Statements (Continued)**

An irrevocable direct-pay letter of credit agreement between the levee district and The Faj Bank, Limited, for the Capital Recovery Funding Bonds has been issued to the paying agent, Bank of New York, for \$25,554,445. The amount is equal to the aggregate principal amount of the bonds plus accrued interest (on date of bond sale) reduced by the principal payments to date. The irrevocable letter of credit expires on October 15, 1990. Quarterly, the levee district must pay an annual letter of credit fee of .35 percent. The letter of credit provides for the financing of amounts drawn on the letters of credit at the bank rate plus 2 percent.

**19. DEFEASED DEBT**

As previously discussed (note 17-E), on October 28, 1996, the levee district issued \$9,775,000 in Levee Improvement Variable Rate Refunding Bonds with an initial interest rate of 5.4 percent. The proceeds, along with other levee district funds, were used to refund the 1987 Levee Improvement Fixed Rate Refunding Bonds on November 1, 1996, with interest rates ranging from 7.4 to 8.25 percent. As a result of the refunding, the levee district reduced its total debt service requirements by \$1,777,223, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,048,014. The economic gain was calculated using the effective interest rate on the new debt of 6.15 percent.

Also, as previously discussed (note 17-F), on October 28, 1996, the levee district issued \$2,700,000 in Public Improvement Variable Rate Refunding Bonds, with an initial interest rate of 5.4 percent. The proceeds, along with other levee district funds, were used to refund the 1987 Public Improvement Fixed Rate Refunding Bonds on November 1, 1996, with interest rates from 7.4 to 8.25 percent. As a result of the refunding, the levee district reduced its total debt service requirements by \$820,630, which resulted in an economic gain of \$380,205. The economic gain was calculated using the effective interest rate on the new debt of 6.47 percent. The refunding also resulted in a recorded loss on the refunding of \$115,270, which represents the refunded portion of the unamortized discount and bond issue costs on the 1987 Public Improvement Fixed Rate Refunding Bonds, as well as the 2 percent premium paid to call the refunded bonds. This loss will be amortized over the life of the 1996 bonds using the outstanding bond method, which approximates the effective interest method.

**20. OUTSTANDING DEFEASED DEBT**

In prior years, the levee district has defeased certain general obligation revenue bonds by paying the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the levee district's financial statements. As of June 30, 1997, the following outstanding bonds are considered defeased:

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Notes to the Financial Statements (Continued)

Description	Original Issue		Outstanding at June 30, 1997
	Maturity Date	Amount Deferred	
1994 Levee Improvement - Serial Bonds	May 1995	\$10,890,000	\$5,405,000
1995 Levee Improvement (Refunding) - Compound Interest Term Bonds	August 1999	4,891,887	4,000,000

**21. FUND BALANCE RESERVES**

The following is a summary of fund balance reserves at June 30, 1997:

	General Fund	Debt Service Fund	Capital Projects Funds	Total
Reserved for Encumbrances	\$48,000		\$12,018,358	\$12,066,358
Debt service		\$24,233,880		24,233,880
Advance to Levee/District				
Airport costs (P)	1,435,255			1,435,255
Legal settlement	3,029,288			3,029,288
<b>Total</b>	<b>\$3,542,543</b>	<b>\$24,233,880</b>	<b>\$12,018,358</b>	<b>\$39,802,781</b>

**22. FUND BALANCE - UNRESERVED -  
DESIGNATED**

The Orleans Levee District has designated a portion of its General Fund balance for future expenditures. A description of these designations follows:

Equipment replacement - funds set aside for the purchase of equipment.

Air conditioning unit replacement - funds set aside for replacement of air conditioning units.

Hurricane cleanup and recovery - funds set aside for the cleanup of hurricane damages to levee district property.

Employee health benefits - The levee district had a self-insurance health program for its employees. It set aside \$200,000 for any employee insurance claims in excess of the annual amount budgeted for this program. This plan was underwritten by Equitable Life Assurance Society (note 10). In addition, \$115,881 was set aside for unpaid health insurance claims pending outcome of litigation with a previous insurer.

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Workers' compensation - funds set aside for workers' compensation claims as part of the Orleans Levee District self-insurance plan.

A summary of the designations for the year ended June 30, 1997, follows:

	Balance July 1, 1996	Additions	Reductions	Balance June 30, 1997
Contingencies - general	\$4,269,817		\$4,269,817	
Major construction equipment/replacement	121,576		21,000	\$100,576
Air conditioning unit/replacement	81,876		23,240	58,636
Hurricane cleanup and recovery	228,886	\$91	228,977	100,000
Employee health benefits (self-insured)	893,881		408,000	485,881
Workers' compensation	188,000			188,000
Total	\$5,763,956	\$91	\$9,336,034	\$5,528,013

**23. CONTRIBUTED CAPITAL**

A summary of changes in contributed capital of enterprise funds follows:

	Capital Contribution at July 1, 1996	Intragovernmental Receipts and Capital Appropriations	Capital Contribution at June 30, 1997
Lake Marie Community Center	\$1,240,474		\$1,240,474
Orleans Marina	2,791,884	(\$3,843)	2,788,041
South Slave Harbor Marina	16,874,812	13,800,000	30,674,812
New Orleans Lakefront Airport	86,723,493	13,426	86,736,919
Total	\$107,630,663	\$13,799,583	\$121,430,184

**24. SEGMENT INFORMATION FOR  
ENTERPRISE FUNDS**

The levee district maintains five enterprise funds that provide a community center (Building 6084M) marina, and airport services. Segment information for the year ended June 30, 1997, follows:

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	Lake Made Community Center	Citizens Marina	South Bloss Halter Marina	New Orleans Lakefront Airport	Flacourts	Total
Operating revenues:	\$1,991,000	\$1,256,911	\$4,151,194	\$6,950,648		\$14,349,753
Depreciation	91,400	90,907	1,440,000	1,360,000		3,802,307
Operating income or loss:	95,000	959,118	1,669,194	2,230,648		5,954,060
Operating transfers in:	20,124	129,873	500,410	489,877		1,140,284
Operating transfers out:	(10,000)	(972,903)	(111,000)	(329,807)		(1,523,710)
Net income or (loss):	\$5,124	\$126,088	\$1,458,604	\$1,490,718		3,180,534
Property, plant, and equipment:						
Additions		13,000	13,000	263,718		389,718
Deletions		5,750	400	26,804		32,954
Fund balances:	2,390,000	3,850,444	26,911,090	34,071,410	\$91,800	\$67,715,744
Net working capital:	\$40,000	7,271,271	2,890,270	(2,197,000)	11,800	2,905,341
Bonds and other long-term liabilities payable from other revenues:		7,700	28,800,000	1,201,400		30,709,100
Total equity:	2,430,000	3,768,271	(26,902)	22,874,410	11,800	33,082,789

**25. DUE FROM/TO OTHER FUNDS**

Individual fund balances due from/to other funds at June 30, 1997, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$12,238,000	\$18,238,808
Debt Service		2,897,898
Capital Projects Funds:		
General Improvement	2,217,481	
Special Levee Improvement	4,580,719	
Enterprise Funds:		
Lake Made Community Center	838,718	
Citizens Marina	7,241,748	
South Bloss Halter	3,507,884	
New Orleans Lakefront Airport		9,438,518
<b>Total</b>	<b>\$30,403,230</b>	<b>\$30,403,230</b>

The interfund due from/to other funds results from the cash management system used by the levee district where all cash transactions are initially recorded in the General Fund.



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26. LITIGATION AND CLAIMS

Act 203 of 1984, as amended by Acts 878 of 1985, 847 of 1986, and Act 1364 of 1987 requires the Board of Levee Commissioners of the Orleans Levee District, upon receipt of certified applications from the Secretary of the Louisiana Department of Natural Resources, to return the ownership of properties known as the Bohemia Spillway in the parish of Plaquemines to the owners or their successors from whom the property was acquired by expropriation or by purchase under threat of expropriation. Oil and gas royalties, rental payments, et cetera, received from Bohemia Spillway properties have decreased, in part because of the title transfer. It was originally estimated that 70 percent to 80 percent of the revenues generated from such properties related to the properties covered in the acts. However, as discussed below, Act 1364 of 1987 may significantly reduce these percentages. At this date, the levee district is maintaining a complete accounting of all royalty revenues received as required by the act. The value of Bohemia Spillway properties included in the general fixed assets account group is \$50,127.

The Louisiana Department of Natural Resources has certified 164 of 220 tracts of land in the Bohemia Spillway for the return of the property. The levee district must take action to return the property covered by the certification within 90 days. As June 30, 1987, the levee district has returned all of the 164 certified tracts to the former owners and/or their heirs. Upon the return of the property, the levee district may be required to return a portion of the royalties, earned on the returned properties, collected since July 1, 1984, which totaled \$28,177,823 plus interest, at June 30, 1987. On July 25, 1984, a Plaquemines Parish judge ruled in favor of the levee district. On September 4, 1986, the Fourth Circuit Court of Appeal reversed the favorable judgment and remanded the matter back to the Trial Court for further proceedings. In one of the Bohemia cases, Vogt & Edgecombe, the Orleans Levee District was ordered to provide an accounting regarding certain tracts in the Bohemia Spillway. This accounting was provided. In the opinion of the levee district's acting general counsel, the results of bringing this matter to trial are unknown. On February 23, 1988, certain claimants filed a petition to have the royalty revenue placed in an escrow account until litigation is completed. The levee district is vigorously defending this litigation, and as of this date, no escrow has been ordered by any court.

Act 1054 of the 1987 Legislature clarifies the types of claimants and provides for negotiated settlements to successful claimants, which must be completed by July 1989 for all claims less than \$10,000 and by July of 2000 for all claims in excess of \$10,000. In the opinion of the levee district's legal counsel, the recent law should severely reduce the number of successful claimants. In addition, the levee district has filed pleadings which would delay any consideration of monetary demands until the dates required for settlement in the legislation, has filed reconventional demands to recover property and revenues from claimants whose ancestors voluntarily transferred their land, and has third partyed the Louisiana Department of Natural Resources in connection with their improper certification of claimants not having been affected by expropriation or threat of expropriation.

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

The levee district is a defendant or co-defendant in 87 lawsuits, including 20 cases related to Ecorse Spillway, claiming damages, possession of property, workers' compensation, and personal injury. The levee district's legal counsel has reviewed all claims and lawsuits to evaluate the likelihood of an unfavorable outcome to the levee district and has attempted to arrive at an estimate of the amount of potential loss. For one lawsuit, the levee district's legal counsel has evaluated the outcome as unfavorable, but any potential liability has not been recorded in the accompanying financial statements. For three of the lawsuits, the probability of an unfavorable outcome and the potential liability to the levee district cannot be reasonably determined by the levee district's legal counsel. For the remaining lawsuits, the levee district's legal counsel does not anticipate a potential loss to the levee district resulting from these lawsuits.

In addition, the levee district was a defendant in a lawsuit in which the City of New Orleans was attempting to enforce compliance with its zoning and building ordinances. The Supreme Court ruled on July 5, 1994, that the 1974 State Constitution and Home Rule Charter gave the city the right to enforce its zoning and building laws against the levee district. The levee district's appeals have been denied and the levee district's legal counsel considers this case closed. In the opinion of the levee district's legal counsel, this ruling could affect the levee district's future plans and could lead to increased litigation between the city and the levee district.

The financial statements do not reflect oil and gas royalties totaling \$440,548 that are on deposit in the Registry of Court Fund of the Clerk of the Twenty-Fifth Judicial District Court, parish of Iberville, pending settlement of suits in litigation. In the opinion of the levee district's management, the Orleans Levee District will be entitled to a share of the proceeds on deposit, but the amount cannot presently be determined.

**37. SETTLEMENT OF LITIGATION**

On November 2, 1994, the levee district settled a lawsuit involving a teenage male who became paralyzed after an accident in 1990 on a pier at Lincoln Beach, a property that the levee district conveyed to a third party in 1995. The levee district believed that it could have been held liable as it was unclear if it was still responsible for the pier. The levee district settled for a total of \$4,900,000, payable in a lump sum of \$2,500,000 in the fiscal year ended June 30, 1995, and annual payments of \$600,000 due November 1, 1995, 1996, 1997, and 1998. The levee district purchased a Treasury bill and three Treasury notes at a combined cost of \$2,185,015 to settle these future obligations. The levee district recorded the net cost, \$4,665,015, as the cost to settle the litigation and recorded the \$2,185,015 cost of the future payments as proceeds from financing the settlement and investments held for settlement of the litigation. The investments held for settlement of the litigation and the corresponding reserve in the General Fund is \$1,587,002 at July 1, 1995. Payment of \$600,000 on November 1, 1995, reduced these investments and the corresponding reserve to \$1,034,268. In addition, the payment reduced the long-term obligation in the general long-term debt account group to \$1,200,000.

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

Also, the levee district recorded \$518,310 as the cost to settle the litigation in nine other cases.

28. LEVEE DISTRICT TAXES

Article 6, Section 50 of the 1974 Louisiana Constitution provides that the levee district may levy an annual tax not to exceed 5.45 mills to construct and maintain levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto. If the levee district needs to raise additional funds in excess of the amount authorized by the constitution, the taxes in excess of 5.45 mills must be approved by a majority vote of the electors of Orleans Parish.

By general election held in the City of New Orleans on November 10, 1993, the voters of the parish of Orleans elected to continue a 6.55 mill ad valorem tax on assessed property for a period of 30 years (1995-2015) to finance hurricane and flood protection projects and to fund the retirement of levee improvement bonds. The following is a summary of authorized and levied ad valorem taxes. 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.

	<u>Authorized Mills</u>	<u>Levied Mills</u>
Parishwide taxes:		
Constitutional	5.45	5.45
Levee improvements	6.55	6.55

Principal taxpayers based on a 1997 assessed valuation are not available as of June 30, 2007. The following are the 1995 principal taxpayers for the levee district:

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
**Notes to the Financial Statements (Continued)**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>1986 Assessed Valuation In Thousands</b>	<b>Percentage of Total Assessed Valuation</b>
BellSouth	Utility	\$94,004	4.4%
New Orleans Public Service, Incorporated	Utility	50,010	4.8%
JAAT Communications	Tele-Communications	19,094	1.8%
University Health	Medical complex	11,490	1.1%
Metairie National Bank	Financial	11,483	1.1%
Ministry National Bank of New Orleans	Financial	11,420	1.0%
First National Bank of Commerce	Financial	11,383	1.0%
Metropolitan Life Insurance Company	Financial	10,218	0.9%
International River Cruise	Real Estate	11,070	0.8%
CS & M Recreators (Sherman/Healy)	Real	11,021	0.7%
<b>Total</b>		<b>\$243,736</b>	<b>17.6%</b>

At June 30, 1987, approximately \$440,582 of property taxes have been paid under protest and are, therefore, not recorded in the financial statements. The resolution of these protests is not determinable at this time.

**25. FEDERAL GRANTS**

The Orleans Levee District received federal funds under the Airport Improvement Program (OPIA 20.100) for paving and associated installation of runway and taxiway guidance signs, medium intensity taxiway lighting, and a master plan for the New Orleans Lakefront Airport. The levee district received additional federal funds under a three-year Public Safety Partnership and Community Policing Grant (OCPG) (OPIA 16.710). This grant provides a portion of the salaries to hire ten additional police officers.

<b>Federal Grantor</b>	<b>Project Name</b>	<b>Cash Disbursement</b>
<b>Department of Transportation</b> Federal Aviation Agency (FAA)	Lakefront Airport	
	Master Plan	\$20,358
	Eastside Taxiway Improvements Phase B	\$20,680
<b>Department of Justice</b> Office of Community Oriented Policing Services		
		<u>112,884</u>
<b>Total Federal Disbursements</b>		<u>\$71,922</u>

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA

Notes to the Financial Statements (Continued)

30. OPERATING TRANSFER (IN)OUT

The following is a summary of the operating transfers in and out for the year ended June 30, 1997:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Debt Service		959,323
General Improvement		285,247
Special Levee Improvement	\$4,089,901	8,000
Lake Vista Community Center		17,124
Orleans Marina		19,972
South Shore Harbor Marina	51,710	58,176
New Orleans Lakefront Airport		180,896
Total	<u>4,341,611</u>	<u>629,538</u>
Debt Service:		
General Fund	69,323	
Special Levee Improvement	4,325,180	
Total	<u>4,394,503</u>	<u>NONE</u>
General Improvement:		
General Fund	285,247	
Lake Vista Community Center	1,446	3,000
Orleans Marina	57,500	78,000
South Shore Harbor Marina	60,000	73,500
New Orleans Lakefront Airport		112,500
Total	<u>464,293</u>	<u>267,500</u>
Special Levee Improvement:		
General Fund	8,000	4,089,901
Debt Service		4,355,163
Total	<u>8,000</u>	<u>8,345,064</u>
Governmental Fund Transfers	<u>8,879,292</u>	<u>9,243,102</u>

**ORLEANS LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
**Notes to the Financial Statements (Continued)**

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Lake Vista Community Center:</b>		
General Fund	\$17,134	
General Improvement	3,000	\$1,448
New Orleans Lakefront Airport		<u>1,552</u>
Total	<u>20,134</u>	<u>3,000</u>
<b>Orleans Marina:</b>		
General Fund	10,992	
General Improvement	79,000	67,500
South Shore Harbor Marina		29,882
New Orleans Lakefront Airport	<u>40,000</u>	<u>95,000</u>
Total	<u>129,992</u>	<u>172,182</u>
<b>South Shore Harbor Marina:</b>		
General Fund	98,178	91,710
General Improvement	73,000	
Orleans Marina	29,882	
New Orleans Lakefront Airport	<u>7,557</u>	<u>59,322</u>
Total	<u>208,617</u>	<u>151,032</u>
<b>New Orleans Lakefront Airport:</b>		
General Fund	190,690	
General Improvement	112,500	60,000
Lake Vista Community Center	1,552	
Orleans Marina	95,000	40,000
South Shore Harbor Marina	<u>59,322</u>	<u>7,557</u>
Total	<u>459,062</u>	<u>107,557</u>
<b>Enterprise Fund Transfers</b>	<u>757,280</u>	<u>323,770</u>
<b>Total Transfers</b>	<u>\$9,536,992</u>	<u>\$9,536,992</u>

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

31. PRIOR PERIOD ADJUSTMENT

The prior period adjustment of \$(6,766) for the General Fund corrects the fund balance at June 30, 1995, for late fees charged to its rental tenants in prior years. Similarly, the prior period adjustments corrected the late fees charged in prior years and the retained earnings balance of Lake Vista Community Center by \$16,989, of Orleans Marina by \$(21,854), and of South Shore Marina by \$(29,008). The prior period adjustment for New Orleans Lakefront Airport of \$277,666 consists of the correction of the late fees charged in prior years of \$92,147, an unrecorded receivable for a federal aviation grant of \$340,767, and a correction of constituted capital of \$(751).

32. BUNDED CONTRIBUTIONS

The United States Army Corps of Engineers (USACE) and the levee districts in southeastern Louisiana, including Orleans Levee District, participate in several joint flood protection projects relative to the Lake Ponchartraine and Vicinity Hurricane Protection Plan (High Level Plan). Under the High Level Plan, the levee district has expended bond and ad valorem tax funds over (approximately) the last 14 years for USACE qualified projects and earned credits for such expenditures to be applied against future flood protection projects.

The United States Congress has approved projects totaling \$713,000,000 for the 300-year Lake Ponchartraine and Vicinity Hurricane Protection Plan. The estimated amount per the USACE for Orleans Parish is \$248,773,000. The USACE will expend 70 percent and the Orleans Levee District will expend 30 percent. The estimate of the federal portion of the completed projects for Orleans Parish at June 30, 1997, is \$190,748,000. The 30 percent participation by the Orleans Levee District will not cause direct cash outflow.

Previous approved earned credits through the fiscal year ended June 30, 1997, are \$66,137,965. Future credits of approximately \$21,700,000 will be applied against the levee district's 30 percent participation.

There are three major projects on the High Level Plan ongoing in Orleans Parish: the Orleans Avenue Canal, Lardin Avenue Canal, and 17th Street Canal. These major projects are expected to be completed in the year 2000.

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 1997

**CAPITAL PROJECTS FUNDS**

**GENERAL IMPROVEMENT FUND**

The General Improvement Fund accounts for major maintenance and capital improvements that are general in nature. Financing is provided by operating transfers from the General Fund.

**SPECIAL LEVEE IMPROVEMENT FUND**

The Special Levee Improvement Fund accounts for constructing and maintaining necessary local protection levees, at canals, in the parish of Orleans. Financing is provided by a special 0.55 mill ad valorem tax levy and interest earned on investments.



ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
CAPITAL PROJECTS FUNDS

Combining Balance Sheet, June 30, 1997  
(With Comparative Totals for the Year  
Ended June 30, 1996)

	GENERAL IMPROVEMENT	SPECIAL LEVEE IMPROVEMENT	TOTALS	
			JUNE 30, 1997	JUNE 30, 1996
<b>ASSETS</b>				
Cash				\$68,779
Investments		\$95,467,796	\$26,447,796	\$1,676,577
Receivables	\$984,767	\$92,826	1,477,593	2,492,584
Due from other funds	2,277,497	4,986,719	6,464,216	4,243,280
<b>TOTAL ASSETS</b>	<b>\$3,262,264</b>	<b>\$11,071,340</b>	<b>\$18,049,305</b>	<b>\$10,421,220</b>
<b>LIABILITIES AND FUND-EQUITY</b>				
Payables	\$200,788	\$1,147,009	\$1,347,797	\$1,247,880
Deferred revenues	77,840		77,840	
Liabilities	714,756	1,644,008	2,358,804	1,347,880
Fund Equity - (not shown)				
Reserves for encumbrances		1,049,688	1,049,688	11,890,478
Unreserved - unassigned	2,547,508	10,255,711	12,803,219	24,788,889
Total Fund Equity	2,547,508	11,305,400	13,852,918	\$1,071,771
<b>TOTAL LIABILITIES AND FUND-EQUITY</b>	<b>\$3,262,264</b>	<b>\$12,352,414</b>	<b>\$18,049,305</b>	<b>\$18,049,305</b>

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
CAPITAL PROJECTS FUNDS

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1997  
(With Comparative Totals for the Year  
Ended June 30, 1996)

	GENERAL IMPROVEMENT	SPECIAL LEVEE IMPROVEMENT	TOTALS	
			JUNE 30, 1997	JUNE 30, 1996
<b>REVENUES</b>				
Admission fees		\$8,844,895	\$8,874,810	\$8,874,810
Other	608,767		608,767	2,100,807
Use of money and assets -				
Interest earnings		1,826,150	1,826,150	2,791,860
Total revenues	608,767	10,671,045	10,779,827	13,767,477
<b>EXPENDITURES</b>				
Other charges		31,288	31,288	294,299
Machinery and equipment		217,878	217,878	
Capital expenditures	841,487	16,118,886	16,960,373	18,188,727
Construction services		1,828	1,828	
Capital lease principal		395,487	395,487	
Construction interest		33,882	33,882	
Total expenditures	841,487	17,178,549	17,926,543	18,583,026
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>				
	(232,720)	(5,507,504)	(5,246,716)	(4,815,549)
<b>OTHER FINANCIAL SOURCES (Used)</b>				
Operating transfers in	484,834	8,622	493,456	871,228
Operating transfers out	(287,200)	(8,245,994)	(8,533,194)	(8,776,766)
Gift of fixed assets				
Total other financing sources (uses)	197,634	(8,237,372)	(8,039,738)	(7,905,538)
<b>NET CHANGE (DECREASE) OF REVE- NUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>				
	31,914	(7,481,346)	(7,449,282)	(4,555,579)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>				
	2,478,455	40,187,815	42,666,270	\$8,811,648
<b>FUND BALANCES AT END OF YEAR</b>				
	\$2,510,369	\$32,706,469	\$35,216,839	\$4,256,069

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 1987**

**ENTERPRISE FUNDS**

**LAKE VISTA COMMUNITY CENTER FUND**

The Lake Vista Community Center Fund accounts for operating expenses financed from commercial leases and hall rentals. User fees are sufficient to finance the operating activities of this fund. Operating transfers from the General Fund are used to finance major maintenance contracts.

**ORLEANS MARINA FUND**

The Orleans Marina Fund accounts for the leasing of boat slips, boathouses, shipyards, fuel dock, and other land areas to businesses and the general public. User fees are sufficient to finance the operating activities of this fund. Operating transfers from the General Fund are used to finance major maintenance contracts.

**SOUTH SHORE HARBOR MARINA FUND**

The South Shore Harbor Marina was officially dedicated September 10, 1967. The marina accounts for the gaming revenues and for the leasing of boat slips, boathouses, and other land areas to businesses and the general public. Operating transfers from the General Fund are used to finance debt service and major maintenance contracts.

**NEW ORLEANS LAKEFRONT AIRPORT FUND**

The New Orleans Lakefront Airport is a general aviation facility. Public and commercial lease and fuel farm sales do not generate sufficient revenues to make the airport self-supporting. Operating transfers are made from the General Fund for operating activities and major maintenance contracts. In addition, capital grants provide financing for major maintenance contracts.

**FLOODCOMM FUND**

The Floodcomm Fund accounts for the operations of Floodcomm Corporation, a public benefit corporation created by the levee district to oversee a long-term lease with a private corporation to lay fiber-optic cables on the levees of the Orleans Levee District.

**ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
PROPRIETARY FUNDS - ENTERPRISE FUNDS**

**Combining Balance Sheet, June 30, 1997  
(With Comparative Totals for the Year  
Ended June 30, 1996)**

	LAKE VIEUX COMMUNITY CENTER	ORLEANS PARISH MARINA	SOUTH SHORE PARISH MARINA
<b>ASSETS</b>			
Current assets			
Cash		\$400	\$ 800
Receivables	213,700	20,400	488,900
Due from other funds	620,746	7,241,340	3,027,000
Inventory			
Other assets	700		
Total current assets	<u>835,146</u>	<u>7,262,140</u>	<u>3,516,700</u>
Restricted assets			3,089,200
Deferred charges			644,800
Property, plant, and equipment - less accumulated depreciation	<u>1,448,807</u>	<u>1,488,188</u>	<u>21,789,173</u>
<b>TOTAL ASSETS</b>	<u><b>\$2,292,893</b></u>	<u><b>\$8,750,328</b></u>	<u><b>\$26,405,073</b></u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Current liabilities (payable from current assets)			
Payables	6200	\$8,804	\$8,400
Deferred revenues	2,800	75,410	49,800
Due to other funds			
Other liabilities	80	200	1,200
Total current liabilities (payable from current assets)	<u>3,500</u>	<u>84,414</u>	<u>59,400</u>
Current liabilities (payable from restricted assets) - accrued bond interest payable	<u>60,000</u>	<u>60,000</u>	<u>1,007,800</u>
<b>LONG-TERM LIABILITIES</b>			
Deferred bond interest			897,880
Accrued bond interest payable			1,182,200
Other liability - lease deposit			
Advance from other funds			
Accrued compensated absences		1,100	78,570
Bonds payable			28,638,700
Trust/long-term liabilities	<u>60,000</u>	<u>1,100</u>	<u>28,800,000</u>
Total liabilities	<u>63,500</u>	<u>85,514</u>	<u>40,083,250</u>
<b>Fund Equity</b>			
Contributed capital	1,240,474	2,148,041	12,874,810
Residual savings - unreserved (in fund)	1,148,919	4,836,188	(11,443,878)
Total fund equity	<u>2,389,393</u>	<u>6,984,229</u>	<u>1,430,932</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$2,292,893</b></u>	<u><b>\$8,750,328</b></u>	<u><b>\$26,405,073</b></u>

NEW ORLEANS LAIRFRONT AIRPORT	FLOORSPACE	TOTALS	
		JUNE 30, 1987	JUNE 30, 1988
	151,000	\$21,200	\$21,200
\$400,000		201,000	1,821,000
		11,190,000	14,620,700
100,000		200,000	101,000
		700	700
<u>600,000</u>	<u>151,000</u>	<u>\$12,661,000</u>	<u>16,643,600</u>
		5,560,000	34,871,400
		600,000	1,547,000
<u>70,407,700</u>		<u>\$7,661,000</u>	<u>79,020,800</u>
<u>\$74,871,470</u>	<u>610,000</u>	<u>\$84,322,000</u>	<u>\$124,571,200</u>
\$231,171	\$21,000	\$214,171	\$2,023,440
13,000		200,000	174,000
\$,400,000		\$,400,000	7,871,000
		1,000	1,000
<u>1,801,171</u>	<u>21,000</u>	<u>2,015,171</u>	<u>10,069,440</u>
NONE	NONE	1,201,204	1,668,600
		807,000	970,000
		1,400,100	1,500,000
			340,000
1,400,000		1,400,000	1,700,000
100,000		140,000	140,000
		20,000,000	27,700,000
<u>1,500,000</u>	<u>NONE</u>	<u>16,540,000</u>	<u>30,400,000</u>
<u>71,368,770</u>	<u>21,000</u>	<u>\$1,661,171</u>	<u>\$4,402,700</u>
80,700,000		21,804,704	90,000,000
<u>144,040,000</u>	<u>11,000</u>	<u>123,411,000</u>	<u>170,000,000</u>
<u>23,871,000</u>	<u>11,000</u>	<u>23,882,704</u>	<u>40,000,000</u>
<u>\$74,871,470</u>	<u>610,000</u>	<u>\$84,322,000</u>	<u>\$124,571,200</u>

ORLEANS LEVEE DISTRICT  
STATE OF LOUISIANA  
PROPRIETARY FUNDS - ENTERPRISE FUNDS

Combining Schedule of Revenues, Expenses,  
and Changes in Retained Earnings  
For the Year Ended June 30, 1997  
(With Comparative Totals for the Year  
Ended June 30, 1996)

	LAKE MIRA COMMUNITY CENTER	ORLEANS MARSH	SOUTH SHORE MARSH
<b>OPERATING REVENUES</b>			
Rentals	197,060	2,248,195	629,354
Fuel tank sales and fees			
Gaming fees			5,001,044
Other	1,420	48,858	44,264
Total operating revenues	<u>198,480</u>	<u>2,297,053</u>	<u>6,684,666</u>
<b>OPERATING EXPENSES</b>			
Personnel services		182,907	424,881
Travel			
Contracted services	21,141	71,368	140,123
Materials and supplies			
Fuel tank			
Other	21,726	11,297	28,214
Professional services			198,260
Other charges - maintenance contracts, etc.		5,119	19,298
Depreciation	81,482	39,981	1,449,899
Total operating expenses	<u>102,649</u>	<u>239,572</u>	<u>2,080,675</u>
<b>OPERATING INCOME (LOSS)</b>	<u>95,831</u>	<u>2,057,481</u>	<u>4,603,991</u>
<b>NONOPERATING REVENUES (Expenses)</b>			
Interest earned on investments			971,808
Debt service - interest and bond charges			(2,495,008)
Federal and state grants			4,800
Extraordinary loss on refunding			(848,787)
Refurbish of deposit			748,400
Settlement of litigation			
Grant insurance costs			(758,819)
Total nonoperating revenues (expenses)	<u>400</u>	<u>400</u>	<u>(2,616,606)</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>96,231</u>	<u>2,057,881</u>	<u>1,987,385</u>

(Continued)