

Zahn, Kenney & Bresette
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF COMPONENT UNIT
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
North Lafourche Conservation, Levee
and Drainage District
Brazoria, Louisiana

We have audited the component unit financial statements of the North Lafourche Conservation, Levee and Drainage District (District), a component unit of the State of Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated January 23, 1998.

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

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

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the District's management and the Legislative Auditor. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Zahn, Kenney & Bresette

Zahn, Kenney & Bresette
Certified Public Accountants

January 27, 1998
Brazoria, Louisiana

In our consideration of the internal control structure, we noted that the size of the District's operations precludes an adequate segregation of duties and other features of an adequate internal control structure. Although in many such conditions may not be considered material, we consider this to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements.

A material weakness is a condition in which the design or operation of one or more of the specific internal control structures planned does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as described above. However, we believe that the reportable condition described above is a material weakness.

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

Eahn, Kerney & Beaudette

Eahn, Kerney & Beaudette
Certified Public Accountants

January 17, 1998
Metairie, Louisiana

Zahn, Kenney & Brosette
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF COMPONENT UNIT
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
North Lafourche Conservation, Levee
and Drainage District
Bastiana, Louisiana

We have audited the component unit financial statements of the North Lafourche Conservation, Levee and Drainage District (District), a component unit of the State of Louisiana, as of and for the year ended December 31, 1997 and have issued our report thereon dated January 27, 1998.

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

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

In planning and performing our audit of the component unit financial statements of the District as of and for the year ended December 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing an opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

NORTH LAFOURCHE CONSERVATION, LEVEE AND
DRAINAGE DISTRICT

PARISH OF LAFOURCHE
STATE OF LOUISIANA

SCHEDULE OF FEES PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 1997

CARRILL CLEMENT	\$	900
NELSON COMBANT		1,425
DAW BURLANTE		525
PHILIP FLAGANCE		625
REDLEY ORAWIN		1,275
AL BERRIGAUD		1,500
MICHAEL DELATTE		1,200
GEORGE BASTRECK		1,425
STEVE ST. ROMAIRE		<u>1,515</u>
TOTAL	\$	<u>10,500</u>

The Board members are paid \$75 for each Committee and Board meeting attended.

NOTE 4--CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance <u>1/01/72</u>	Deletions	Balance <u>12/31/72</u>
Furniture, Fixtures and Equipment	\$ 8,447	0	\$ 8,447
Vehicles	<u>17,312</u>	<u>17,312</u>	
Total	<u>\$25,759</u>	<u>\$17,312</u>	<u>\$ 8,447</u>
Investments in General Fixed Assets	<u>\$25,759</u>	<u>\$17,312</u>	<u>\$ 8,447</u>

There were no asset acquisitions during 1972.

NOTE 5--CASH BASIS BUDGET

The District prepares its budget on the cash basis and presents its financial statements on the modified accrual basis. This requires the following adjustments to convert its accrual results to the cash basis for the presentation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Cash Basis (Page 5):

	Modified Accrual Basis	Net Difference Between <u>12/31/72</u> and <u>12/31/71</u> in Revenues Expenditures	Cash Basis
REVENUES			
ad valorem tax	\$ 390,111	\$ (13,187)	\$ 390,704
General income	41,142	-	41,142
Intergovernmental	<u>110,562</u>	-	<u>110,562</u>
Total Revenues	541,815	(13,187)	558,038
EXPENDITURES			
Audit	1,300	-	1,300
Engineering	25,858	-	25,858
Insurance	10,362	-	10,362
Interest	80	-	80
Legal	13,696	-	13,696
Licenses and taxes	414	-	414
Miscellaneous	27,354	-	27,354
Office expense	1,800	-	1,800
Pay roll	10,300	-	10,300
Pension fund	-	-	-
Legal publications	824	-	824
Rent	3,400	-	3,400
Salary, staff	4,185	-	4,185
Telephone	1,000	-	1,000
Tyrene	11	-	11
Utilities	302	-	302
Capital project	<u>112,782</u>	-	<u>112,782</u>
Total expenditures	<u>\$ 274,144</u>	<u>\$ 1,300</u>	<u>\$ 280,788</u>

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded, is not utilized by the District.

F. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

Account groups are not funds. They are measured only with the measurement of financial position, not with measurement of the results of operations.

1. Total Columns on Balance Sheet

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2--NO VALUORUM TAXES

All Valorum Taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at the percentages of actual value as specified by Louisiana Law.

A reappraisal of all property is required to be completed no less than every four years. The last reappraisal was completed for the list of January 1, 1986. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rates for the year ended December 31, 1987 was \$5.80 per \$1,000 of assessed valuation of property for the purpose of maintaining and operating the facilities and programs.

NOTE 3--DUE FROM LAFOURCHE PARISH SHERIFF

The amount due from Lafourche Parish Sheriff at December 31, 1987 consisted of December 1987 ad valorem tax collections to be realized in the District in January 1988.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

B. Basis of accounting

The accounting and financial reporting treatment applied to a Fund is determined by its measurement focus. The General Fund is 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. The operating statement of this fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

All uniform taxes, which are levied and due before the end of the year, are considered measurable and available and are therefore included in revenue for the year for which levied. 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.

C. Budget Practices

The District adopted and submitted its annual budget on September 18, 1994 in accordance with LSA-R.S. 39:1502-1514. The adopted budget was prepared and reported on a cash basis of accounting. Formal budget integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements represent the final budget.

D. Cash and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits with initial maturity of sixty days or less. Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State, the laws of any other state in the Union, or the laws of the United States. Furthermore, the District may invest in time certificates of deposit of state banks organized under the laws of the State, in national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state-chartered credit unions.

Under state law, the District may invest in United States bonds or treasury notes. The District had no investments at December 31, 1993.

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**NORTH LAFOURCHE CONSERVATION, LEVEE AND
DRAINAGE DISTRICT**

**PARISH OF LAFOURCHE
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1993

The North Lafourche Conservation, Levee and Drainage District (District) was created by Revised Statute 38:151 (E) as a political subdivision of the State of Louisiana (the State) having the authority to issue debt, issue bonds and levy taxes. The District is under the direction of nine commissioners appointed by the Governor.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Reporting Entity

GASB codification section 2106 has defined the governmental reporting entity to be the State. The District is considered a component unit of the State because the State exercises oversight responsibility in that the governor appoints the commissioners and public service is rendered within the state's boundaries. The accompanying financial statements present information only as to the transactions of the programs of the District, a component unit of the State.

C. Fund Accounting

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

The General Fund is classified as a governmental fund and is the general operating fund of the District and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which the operating activities are controlled. General operating expenditures are paid from this fund.

**NORTH LAFOURCHE CONSERVATION, LEVEE AND
DRAINAGE DISTRICT**

**PARISH OF LAFOURCHE
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CASH BASIS**

GOVERNMENTAL FUND TYPE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$ 298,000	\$ 308,326	308,326
Tax of money and property - Interest earnings	48,000	41,142	1,142 (588)
Miscellaneous	380		
Intergovernmental	<u>108,000</u>	<u>110,362</u>	<u>10,362</u>
Total Revenues	554,380	459,830	59,578
EXPENDITURES			
Audit	1,700	1,700	
Engineering	20,000	27,131	(17,131)
Insurance General	13,000	19,305	4,474
Interest Expense	100	60	40
Legal	9,000	19,825	(10,825)
Licenses and Taxes	3,000	444	1,384
Miscellaneous Expense	13,000	22,026	(17,026)
Office Expense	4,000	1,073	3,947
Tax Disc	14,000	13,980	3,000
Pension Fund		8,158	(8,158)
Publications	1,000	980	100
Rent	3,600	3,600	
Salary, Staff	60,000	6,185	35,885
Telephone	3,000	1,100	1,380
Travel / Mileage	1,800	82	988
Utilities	450	382	148
Vehicle maintenance	600		600
Fuel vehicle	1,000		1,000
Capital project	<u>180,000</u>	<u>111,716</u>	<u>(14,716)</u>
Total Expenditures	327,000	260,740	(13,718)
EXCESS OF REVENUE OVER EXPENDITURES	177,480	217,268	60,818
OTHER FINANCING SOURCES			
Sale of fixed assets	-----	<u>10,500</u>	<u>10,500</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES	177,480	227,768	56,318
FUND BALANCE			
Beginning of year	<u>316,738</u>	<u>1,022,363</u>	<u>288,323</u>
End of year	<u>\$ 494,218</u>	<u>\$ 1,250,131</u>	<u>\$ 755,871</u>

See notes to Financial Statements.

MOORE LAFOURCHE CONSERVATION, LEVEE AND
DRAINAGE DISTRICT

PARISH OF LAFOURCHE
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GOVERNMENTAL FUND TYPE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 1997

REVENUES	
Ad valorem taxes	\$ 338,131
Intergovernmental--Department of Transportation	118,542
Use of money and property - interest earnings	<u>42,152</u>
Total Revenues	478,825
EXPENDITURES	
General Government	<u>226,146</u>
Total Expenditures	<u>226,146</u>
EXCESS OF REVENUES OVER EXPENDITURES	252,679
OTHER FINANCING SOURCES	
Sale of fixed assets	<u>50,920</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	303,599
FUND BALANCE	
Beginning of year	1,012,563
End of year	<u>1,316,162</u>

See notes to financial statements.

**NORTH LAFOURCHE TIMBERWAYS, LEVEE AND
DRAINAGE DISTRICT**

PARISH OF LAFOURCHE
STATE OF LOUISIANA

**COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS**

DECEMBER 31, 1993

ASSETS

	<u>Governmental Fund Type</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Non-cash only)</u>
	<u>General Fund</u>		
Cash and cash equivalents	\$ 498,081	\$	\$ 498,081
Certificates of deposit	538,027		538,027
Deposits	75		75
Taxes receivable - delinquent	82,891		82,891
Due from Lafourche Parish Sheriff	198,288		198,288
Fixed assets	<u> </u>	<u>8,647</u>	<u>8,647</u>
Total Assets	<u>\$1,393,372</u>	<u>\$8,647</u>	<u>\$1,393,372</u>

LIABILITIES AND FUND EQUITY

Liabilities:			
Accounts payable	\$ 13,212	\$	\$ 13,212
Total Liabilities	13,212		13,212
Fund Equity:			
Investment in General Fixed Assets		8,647	8,647
Fund balance - unreserved	1,379,312	<u> </u>	1,379,312
Total Fund Equity	1,379,312	<u>8,647</u>	1,379,312
Total Liabilities and Fund Equity	<u>\$1,392,524</u>	<u>\$8,647</u>	<u>\$1,393,372</u>

See notes to financial statements.

statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the information is fairly presented in all material respects in relation to the company's unit financial statements taken as a whole.

Edna, Kinney & Bennett

Edna, Kinney & Bennett
Certified Public Accountants

Metairie, Louisiana
January 27, 1998

Zahn, Kenney & Brasette
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
North Lafourche Conservation,
Levee and Drainage District
Bayou La Batre, Louisiana

We have audited the component unit financial statements of North Lafourche Conservation, Levee and Drainage District, a component unit of the State of Louisiana, as of and for the year ended December 31, 1997. These financial statements are the responsibility of the North Lafourche Conservation, Levee and Drainage District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 component unit financial statements referred to above present fairly, in all material respects, the financial position of the North Lafourche Conservation, Levee and Drainage District as of December 31, 1997 and the results of its operations for the year ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 27, 1998 on our consideration of the District's internal control structure and a report dated January 27, 1998 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the component unit financial statements taken as a whole. The information listed as Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the component unit financial

NORTHE LAFORCHER CONSERVATION, LEVEE AND
DRAINAGE DISTRICT
PARISH OF LAFORCHER
STATE OF LOUISIANA

Component Unit Financial Statements
As of and for the Year Ended December 31, 1987

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PARISH OF LAFOURCHE CONSERVATION,
LEVEE AND DRAINAGE DISTRICT
PARISH OF LAFOURCHE
STATE OF LOUISIANA

COMPONENT UNIT FINANCIAL REPORT,
INTERNAL CONTROL AND
COMPLIANCE REPORTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 1987

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

Date(s) Date ~~MM/LL/YY~~ - -