
PONTCHARTRAIN LEVEE DISTRICT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1997

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

Oct 13 1997

Release Date _____



Pastlethwaite & Netterville

CPA PROFESSIONAL SERVICES CORPORATION
 REGISTERED PUBLIC ACCOUNTANTS

BATON ROUGE • DONALDSONVILLE • MONROE • NEW ORLEANS • ST. THOMASVILLE
 LOUISIANA

CONTUMACIN LEVEE DISTRICT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1997



TABLE OF CONTENTS

	Statement	Page
Independent Auditors' Report		1
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	2 - 3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	B	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - General Fund	C	5 - 7
Notes to Financial Statements		8 - 18
	Schedule	
Supplemental Information Schedule/Schedule of Per Diem Paid Board Members	1	19
Other Reports Required by Government Auditing Standards:		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		20 - 21



Postlethwaite & Netterville

A Professional Accounting Corporation
601 P.O. Box 100, Baton Rouge, Louisiana

MEMPHIS, TENN. • FORT WORTH, TEX. • HOUSTON, TEX. • DALLAS, TEX. • EL PASO, TEX. • SAN ANTONIO, TEX. • AUSTIN, TEX. • LITTLE ROCK, ARK. • JACKSON, MISS. • MOBILE, ALA.

INDEPENDENT AUDITORS' REPORT

Board of Levee Commissioners of
Parishandale Levee District
State of Louisiana
Lafayette, Louisiana

We have audited the accompanying general-purpose financial statements of the Parishandale Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1990. These general-purpose financial statements are the responsibility of the Parishandale Levee District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and in the 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Parishandale Levee District as of June 30, 1990, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 17, 1990 on our consideration of the Parishandale Levee District's internal control structure and its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 17, 1990

FOURCHARITAINLEVELDISTRICT

Statement A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

PER 30, 1992

1 of 1

Account	Statement Fund Type		General		Special Change		Total
	Debit	Credit	Fund	Change	Long Term	Debt	
\$ 100.00	\$ 0.01	\$ 207,440	\$ -	\$ -	\$ -	\$ -	\$ 207,541
420,420	-	1,080,210	-	-	-	-	1,500,630
200,720	-	14,074	-	-	-	-	214,794
1,020	-	-	-	-	-	-	1,020
-	-	-	1,407,770	-	-	-	1,407,770
-	-	-	-	-	30,351	-	30,351
<u>\$ 1,621,720</u>	<u>\$ 0.01</u>	<u>\$ 1,800,124</u>	<u>\$ 1,407,770</u>	<u>\$ 30,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,268,396</u>

ASSETS

Cash and cash equivalents
 Investments
 Receivables, net
 Due from other funds
 Prepayments, net
 Fixed assets
 Other assets
 Amounts to be provided for retirement
 of general long term obligations

TOTAL ASSETS

The accompanying notes are an integral part of this statement.



PONTIAC TRAIN LEVEE DISTRICT

Statement B

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1993**

	General	Capital Projects	Total Disbursements Only
REVENUES			
Taxes	1,189,837	-	1,189,837
Intergovernmental revenues	284,796	5,860,484	6,145,280
Less: of interest and property	(445,114)	(206,680)	(651,794)
Other - Sale of Equipment/Machinery	25,172	-	25,172
Total revenues	<u>1,054,691</u>	<u>5,653,804</u>	<u>6,708,495</u>
EXPENDITURES			
General administration	428,734	-	428,734
Employee related benefits	188,772	-	188,772
Taxes	14,234	-	14,234
Operating services	282,237	-	282,237
Materials and supplies	79,444	-	79,444
Mechanical services	78,890	-	78,890
Capital costs	(25,487)	2,493,113	2,467,626
Other charges	25,454	-	25,454
Total expenditures	<u>1,098,494</u>	<u>2,493,113</u>	<u>3,591,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER DISBURSEMENTS	<u>2,568,497</u>	<u>1,160,691</u>	<u>3,729,188</u>
OTHER FINANCING SOURCES (USES)			
Opening transfer in	-	2,000,000	2,000,000
Opening transfer out	(2,000,000)	-	(2,000,000)
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>2,000,000</u>	<u>-</u>
EFFECT OF REVENUES AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER USES	<u>568,497</u>	<u>1,160,691</u>	<u>1,729,188</u>
FUND BALANCE			
BEGINSING OF YEAR	1,438,448	1,098,443	2,536,891
INCREASE IN FUND BALANCE	1,290,749	-	1,290,749
END OF YEAR	<u>2,729,197</u>	<u>1,098,443</u>	<u>3,827,640</u>

The accompanying notes are an integral part of this statement.



PONTIAC TRAIN LEEVE DISTRICT

Statement C

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (ON A GAAP BASIS) AND ACTUAL
YEAR ENDING JUNE 30, 1997**

	<u>Budget</u>	<u>Actual</u>	<u>Variance (Favorable/ Unfavorable)</u>
REVENUES			
Ad valorem taxes	\$ 3,244,000	\$ 3,171,003	\$ 73,000
State contract sharing	200,000	200,000	0
Interest on delinquent taxes	1,500	13,403	11,903
Sale of equipment	3,000	20,173	17,173
Interest earnings	400,000	448,000	48,000
Miscellaneous	2,000	-	(2,000)
Total revenues	<u>4,252,000</u>	<u>4,352,583</u>	<u>100,583</u>
EXPENDITURES			
Executive and administrative:			
President's salary	4,000	3,000	4,000
President's expenses	1,000	-	1,000
Commitment/ per diem	21,000	20,150	3,450
Commitment/ mileage	6,000	3,100	2,310
Secretary's salary	1,000	1,000	1,000
Convention and meeting expense	13,000	4,000	1,000
Membership dues	7,000	1,000	1,000
Employee's related benefits	-	-	-
Social security	600	112	100
Medical	100	20	100
Group insurance	14,000	5,000	1,000
Professional services and administrative	70,000	41,000	37,000
General administrative:			
Salaries:			
Chief of	70,000	64,000	6,000
Executive director	20,000	20,000	1,000
Project manager	34,000	30,100	1,700
Professional services:			
Legal (attorney)	-	-	-
Construction/Agency's expense	24,000	20,150	(5,151)
Construction expense	3,000	3,400	(400)
	21,000	20,100	(3,000)

The accompanying notes are an integral part of this statement.



PONCE DE LA TRAIN LEVEE DISTRICT

Statement C

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL
YEAR ENDED JUNE 30, 1997**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONT'D)			
General administration (Cont'd)			
Employee's related benefits			
Medicare	\$ 1,600	\$ 1,412	\$ 188
Employee credit unions	20,000	18,434	1,566
Group term life	23,800	24,106	(306)
Supplies	20,500	4,819	15,681
Operating services	28,800	24,777	4,023
Insurance contract	4,000	-	4,000
Books &	4,500	4,128	372
Computer equipment	4,500	3,974	526
Travel and other charges	3,000	4,014	(1,014)
Acquisition for office	3,500	3,191	309
Accounting services	3,000	4,480	(1,480)
Civil service fee	4,000	3,204	796
Audit reports	11,000	11,056	(56)
Water main of private/neighborhood	60,000	6,091	53,909
Indemnities from all volunteer levee - private field	150,000	128,879	21,121
Total of general administrative expenditures	529,300	450,461	78,839
Levee maintenance			
Salaries			
Regular	\$ 780,000	\$ 809,117	\$ (29,117)
Overtime	15,000	1,184	13,816
Employee's related benefits			
Retirement	41,000	41,156	(156)
Social security	500	-	500
Medicare	2,300	1,119	1,181
Group term life	190,000	203,310	(13,310)
Operating services	11,000	10,657	343
Maintenance and repairs	80,000	71,494	8,506
Materials and supplies	90,000	14,463	75,537
Travel and other charges	1,000	574	426
Construction/alterations	-	6,588	(6,588)
Equipment and vehicles	144,700	144,736	(36)
Internal levee maintenance	1,140,000	1,241,793	(101,793)

The accompanying notes are an integral part of this statement.

PONTCHARTRAIN LEVEE DISTRICT

Statement C

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (1989-GRAF BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1987**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Adverse)
EXPENDITURES (CONT'D)			
Levee policy			
Salaries:			
Regular	\$ 100,000	\$ 10,000	\$ 90,000
Overtime	1,000	217	1,283
Employers' related benefits:			
Retirement	10,000	3,000	4,447
Medical	-	81	(81)
Group insurance	14,000	10,600	13,000
Materials and supplies	10,000	4,801	10,000
Maintenance - (depreciy and equipment)	3,000	1,104	1,734
Purchase of equipment	24,000	-	24,000
Public official funds	200	100	1,000
Toward and other charges	1,000	-	1,000
Interest - levee policy	170,000	106,700	63,300
Other - interest	248,000	121,200	126,800
Flood fight contingency fund	30,000	-	30,000
Insurance	20,000	-	24,000
Total expenditures	<u>2,471,100</u>	<u>1,298,142</u>	<u>1,172,958</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,140,700	2,471,700	1,331,000
OTHER FINANCING SOURCES (USES)			
Transfer out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	110,700	471,700	360,000
FUND BALANCE AT BEGINNING OF YEAR	<u>8,241,004</u>	<u>8,104,202</u>	<u>1,136,802</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,351,704</u>	<u>\$ 8,575,902</u>	<u>\$ 2,224,200</u>

The accompanying notes are an integral part of this statement.



PONTCHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Pontchartrain Levee District was created by Louisiana Revised Statute (LSA-R.S.) 38:281(2). The levee district includes all or portions of the following parishes: East Baton Rouge, Iberville, Assumption, St. James, St. John the Baptist, and St. Charles. The levee district primarily provides flood protection for those areas contained in the district. The governing board administers the operations and responsibilities of the levee district in accordance with provisions of Louisiana statute. The Board of Commissioners of the Pontchartrain Levee District consists of nine members appointed by the governor.

1. Summary of Significant Accounting Policies

A. Basis of Accounting

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

B. Reporting Entity

GASB Codification Section 2180 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 commissioners, and public service is rendered within the state's boundaries. The accompanying statements present information only as to the transactions of the Pontchartrain 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.

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 governmental 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.



POINCIANATRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

Funds of the levee district are classified as governmental funds. Governmental funds account for the levee district's general activities, including the collection and disbursement of specific or legally restricted revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the levee district 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.
2. **Debt Service Fund** - accounts for the accumulation of resources for, and transactions relating to the payment of long-term debt, principal, interest, and related costs.
3. **Capital Projects Fund** - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

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

All valuation taxes and the related state revenue sharing are recorded in the year the taxes are assessed. All valuation taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, February, March, and April of the fiscal year.

Interest income on demand deposits and certificates of deposits is recorded when earned and available.

Rents are recorded in the year earned.

Substantially all other revenues are recorded when received.

FOUNTAIN TRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies (continued)

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 are recognized when paid, and principal and interest on general long-term debt, which are not recognized until due.

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, are accounted for as other financial sources (uses) and are recognized when they become receivable and available. Amounts received from the sale of fixed assets and insurance settlements are recognized when the funds are received.

II. Budget Practices

The proposed General Fund budget for the fiscal year ended June 30, 1997, was completed and made available to the public inspection at the levee district's main office on March 20, 1996, and formally adopted on that date. The budget, which included proposed expenditures and the means of financing them for the General Fund, was published in the official journal in April. In addition to the budget, the official journal published a solicitation for comments and questions that could be addressed in the public meeting.

All appropriations lapse at year end. The levee district does not recognize encumbrances. Budget amounts included in the accompanying financial statements include the original adopted budget amounts prepared on a cash basis of accounting. The budget practices of the Fountain Train Levee District are subject to the provisions of I.S.A. R.S. 38-218. General Fund revenues, expenditures, and other financial sources shown on Statement II are reconciled with the amounts reviewed on the budget comparison (Statement C) as follows:

MONTECHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Statement B revenues	\$4,528,600
Add:	
Prior-year receivables	35,117
Less - current-year receivables	(1,280,788)
Statement C revenues	<u>\$3,282,929</u>
Statement D expenditures	\$1,986,601
Add - prior-year payables	64,865
Less:	
Current-year payables	(1,784,845)
Statement C expenditures	<u>\$1,266,621</u>

2. Cash and Cash Equivalents and Investments

Cash includes petty cash, cash with paying agent, and cash in the state treasury. Cash equivalents include accounts in money markets. Under state law, the Parochial Levee District may deposit funds within a fiscal year: bank or certified under the laws of the State of Louisiana, the laws of any other state in the United States, or the laws of the United States. Furthermore, the levee district may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments include certificates of deposit with original maturities exceeding three months and United States Treasury bills. The investments are stated at cost.

PORT CHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

G. Inventories

Inventories of fuel and various parts are valued at the lower of cost or market and are recorded as expenditures at the time individual inventory items are purchased. The levee district uses a periodic inventory system and values its inventory using the first-in, first-out (FIFO) valuation method. Reported inventories are typically offset by a local balance transfer that indicates they do not represent available spendable resources even though they are components of net current assets.

H. Fixed Assets and General Long-Term Obligations

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Long-term obligations assumed as the financial from governmental funds are accounted for in the general long-term obligations account group, net in the governmental funds. This includes long-term debt and compensated absences that accumulated unpaid annual leave benefits of General Fund employees.

The two account groups are net funds. They are measured only with the measurement of financial position, not with measurement of results of operations.

I. 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 100 hours of unused annual leave at the employee's base hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 100 hours plus unused sick leave are used to compute retirement benefits.

The cost of unused leave privileges, computed in accordance with GASB Codification Section 200, is recognized as a current year expenditure in the General Fund when the leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

J. Postemployment Health Care and Life Insurance Benefits

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

FRONTIERCOUNTY LEVER DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

K. Fund Equity, Reserves, and Designated Fund Balances

Reserves represent those portions of fund equity not appropriate for expenditures and are legally segregated for a specific future use. Designated fund balances are those portions of fund equity set aside by the board of lever commissioners for specific future use. It should be noted that unreserved fund balance in the General Fund was created for the purpose of gradually accumulating sufficient funds to pay the Frontiercounty Lever District's portion of the cost of the Lake Frontiercounty Hurricane Protection Fund Project. The estimated total cost to the Frontiercounty Lever District for the hurricane protection project over approximately 25 years is \$23,884,000.

L. Total Columns on Statements

The total columns on the statements are captioned Memorandum Only (overview) to indicate that they are prepared 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.

2. Cash and Cash Equivalents

At June 30, 1997, the lever district has cash and cash equivalents (book balances) totaling \$785,218 as follows:

petty Cash	\$	29
Money market accounts	436,028	
Cash with paying agent	7,517	
Cash with state treasury	<u>295,744</u>	
Total	\$	<u>785,218</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting fund balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, exclusive of the \$295,748 on deposit with the state treasury, the lever district has \$451,150 in deposits (collected bank balances). These deposits are secured from risk by \$200,980 of federal deposit insurance and \$250,170 of pledged securities held by the custodial bank in the name of the lever district (LAMB Company 2).

PONTIACRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with the state treasury totaling \$260,718. Securities pledged for cash in the state treasury is not included in this paraview computation as these amounts are assumed by fiscal agent to be established by the state treasury independent of the levee district.

2. Investments

At June 30, 1997, investments of the levee district total \$17,677,571, which consist of \$6,600,794 in certificates of deposit and \$11,076,777 in United States Treasury bills. Investments are stated at cost, which approximates market value. The certificates of deposit are insured from credit risk by \$300,000 of federal deposit insurance and \$5,791,740 of pledged securities held by the custodial bank in the name of the levee district (GA5B-Category 2). The United States Treasury bills are in the name of the levee district and held in the trust department of a custodial bank selected by the district (GA5B-Category 3).

3. Receivables

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

	<u>General Fund</u>
Ad valorem taxes	\$ 8,668
Use of money and property - interest earnings	<u>262,059</u>
Total	<u>\$ 270,727</u>

Any immaterial accounts not reflected in the subsequent accounting period will be written off to the related revenue accounts.

PONCHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Addition	Deletion	Balance June 30, 1999
Land	\$ 765,000	\$ -	\$ -	\$ 765,000
Buildings	461,004	-	-	461,004
Equipment	1,284,694	144,960	(1,57,315)	1,271,339
Total	\$ 2,510,700	\$ 144,960	\$ (1,57,315)	\$ 2,498,345

Capital outlay expenditures of \$1,478,803 within the Capital Projects Fund, as disclosed on Statement B, consist of fixed project costs (infrastructure) and are not capitalized.

6. Pension Plan

The Ponchartrain Levee District contributes to the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. LASERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. LASERS issues a publicly available financial report that includes financial statements and required supplementary information.

Plan members are required to contribute 7.5% of their annual covered salary and Ponchartrain Levee District is required to contribute at an actuarially determined rate. This current rate is 12.4% of annual covered payroll. The current rates requirements of plan members and Ponchartrain Levee District are established and may be amended by the LASERS Board of Trustees. The Levee District's contributions for the year ending June 30, 1999 was \$94,695 equal to the required contributions for the year.



PONTIAC TRAIN LEVEE DISTRICT
NOTES TO FINANCIAL STATEMENTS

7. Postemployment Health Care and Life Insurance Benefits

The levee district provides certain continuing health care and life insurance benefits for its retired employees. Substantially all the levee district's employees become eligible for these 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 the State Employees Group Benefits Program whose monthly premiums are paid jointly by the employees and the levee district. The levee district recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 1997, the cost of providing benefits for 79 retirees and 9 spouses for a total of 88 people totaled \$84,568.

8. Compensated Absences

At June 30, 1997, employees of the levee district have accumulated and vested \$187,021 of employee leave benefits, which may be reported in accordance with GASB Codification Section 648. This amount is recorded within the general long-term obligations account group.

9. Changes in General 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		Additions	Debitments	Long-Term Obligations Payable at June 30, 1997	
Compensated absences	\$	105,415	\$	4,800	\$	110,215

10. Litigation and Claims

The levee district is a defendant or co-defendant in several lawsuits. In the opinion of legal counsel for the levee district, resolution of the cases involving negligence will not result in judgments against the levee district in excess of amounts currently reserved by insurance. Furthermore, the anticipated outcome of suits claiming responsibility for property taken by the levee district will be resolved either in the favor of the levee district or will not involve amounts which are considered material to the financial statements.



POINCIER TRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

11. Intergovernmental Revenues

The following is a summary of intergovernmental revenues as of June 30, 1997:

	General Fund	Capital Project Fund	Total
State revenue shared by Louisiana Department of Transportation & Development	\$ 296,296	\$ -	\$ 296,296
St. Charles Parish Council	-	4,582,638	4,582,638
	-	400,150	400,150
Total	<u>\$ 296,296</u>	<u>\$5,082,788</u>	<u>\$5,379,084</u>

The federal government has a grant to finance 70 percent of the cost of the Lake Poinciere and Vicinity Hurricane Protection Project, and the Poinciere Levee District will pay the remaining 30 percent of the cost. This agreement is in accordance with the Flood Control Act of 1965 as modified by the Water Resources Development Act of 1974.

Local non-federal sources are required to pay at least 30 percent of the total project costs for the St. Charles portion of the Lake Poinciere and Vicinity Hurricane Protection Project.

The remaining local and non-federal portion of the project is estimated to be \$29,554,000. The Poinciere Levee District has entered into an agreement with St. Charles Parish whereby the Poinciere Levee District will pay 50 percent of the non-federal portion of project costs, and St. Charles Parish will provide the remaining 20 percent.

St. Charles Parish's 20 percent commitment will be paid in 25 annual installments due and payable before the 15th day of June of each year, commencing on June 15, 1991. Accordingly, \$478,000 was received from St. Charles Parish in 1997 for its portion of the non-federal portion of the project.

Section 9 of Act 45 of the 1996 Capital Outlay Appropriations provided that all of the funds appropriated for ports and levee districts shall be administered under cooperative endeavor agreements. On February 5, 1996, the Poinciere Levee District entered into a cooperative endeavor agreement with the Louisiana Department of Transportation and Development (DOTD). These funds were used to provide the required local match for the cost of the Lake Poinciere and Vicinity Hurricane Protection Project. From inception through June 30, 1997, the Poinciere Levee District's total accumulated expenditures for this project were \$11,406,760.

The total estimated remaining cost to be incurred by the Poinciere Levee District is \$28,154,000.

MONTECHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

II. Levee District Taxes

Article 8, Section 39 of the 1874 Louisiana Constitution provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, American flood protection, and for all other purposes incidental thereto, the levee district may levy annually a tax not to exceed five mills. If the levee district needs to raise additional funds in excess of the amount authorized constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors. The levee district has levied a tax of 3.89 mills.

PONTCHARTRAIN LEVEE DISTRICT

Schedule 1

**SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 1997**

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to the board members of the Pontchartrain Levee District is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are made in accordance with Louisiana Revised Statute 38:285 and are included in the general administrative expenditures of the General Fund. Board members are paid \$75 per meeting for up to 36 meetings each year. The board president, Mr. Andrew J. LaFleur, was paid a salary of \$1,680 a year, in lieu of per diem, which is also included in the general administrative expenditures of the General Fund.

	Year Ended June 30, 1997
	\$ 190
Honey Dupluis	1,500
John Darter	975
LaVone Brown	975
Timothy Kane	2,175
Joseph Gaudreau	1,725
Kenneth Cloutier, Sr.	1,725
Walter Harclim	2,780
David Latourle	8,280
Isaac Morris	1,125
Michael Roemer	1,425
Franklin A. Parris	2,575
Carry F. Simonson	1,050
Charles Thornton	---
Total	\$ 18,500



OTHER REPORTS REQUIRED

BY

CERTIFIED PUBLIC ACCOUNTANTS





Poitelthwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

500 MARKET STREET • POST OFFICE BOX 1000 • LAFAYETTE, LOUISIANA 70501-1000 • TELEPHONE 601-934-7000 • FAX 601-934-7001

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

Board of Local Commissioners of
Ponchartraine Levee District
State of Louisiana
Lafayette, Louisiana

We have audited the general purpose financial statements of the Ponchartraine Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 17, 1997.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Ponchartraine 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ponchartraine 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 signal listed deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Ponchartraine Levee District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

The reportable condition noted is as follows:

Finding:	There is insufficient segregation of duties to have effective internal control.
Cause:	This condition is due to the size of the accounting staff.
Recommendation:	No action is recommended.
Management's Response:	We concur with the finding and recommendation.

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 accounts 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 the reportable condition described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

Paaththaravit & Nettikovill

Donaldsonville, Louisiana
September 17, 1991