

11/10/99
SEP 15 1999

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

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

**ANNUAL FINANCIAL REPORT
Year Ended June 30, 1999**

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

Release Date SEP 15 1999



TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
<i>Combined Balance Sheet - All Fund Types and Account Groups</i>	4
<i>Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types</i>	6
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and and Actual - General Fund</i>	9
Notes to Financial Statements	
Note A - Summary of Significant Accounting Policies	11
Note B - Stewardship, Compliance, and Accountability	17
Note C - Deposits	18
Note D - Fixed Assets	19
Note E - Long-Term Debt	20
Note F - Interfund Assets/Liabilities	22
Note G - Reservations and Designations of Fund Balances	23
Note H - Ad Valorem Tax	23
Note I - Commitments and Contingencies	24
Note J - Joint Venture - Hurricane Protection Levee	26
Note K - Pension Plan	27
Note L - Post-Employment and Health Care Benefits	28
Supplementary Information Required by the Governmental Accounting Standards Board	
Year 2000 Issues	31

TABLE OF CONTENTS (CONTINUED)

PAGE

FINANCIAL SECTION (CONTINUED)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

General Fund	
Schedule of Revenues - Budget and Actual	36
Schedule of Expenditures - Budget and Actual	37
Special Revenue Fund	
Schedule of Revenues	40
Schedule of Expenditures	41
Capital Project Funds	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	45
Schedule of Expenditures by Reach	
West of Harvey Canal	47
Lafitte Levee	49

SUPPLEMENTAL INFORMATION

Schedule of Commissioner's Per Diem	52
Schedule of State Funding	53
Schedule of Expenditures of Federal Awards	54

SINGLE AUDIT SECTION

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	57
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	59
Schedule of Findings and Questioned Costs	61

FINANCIAL SECTION

FRANCIS J. CASCIO, CPA
JAN E. DAVIS, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

We have audited the accompanying general purpose financial statements of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 1999 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 our report dated August 13, 1999, on our consideration of the District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

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

The Year 2000 Supplementary Information on page 31 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the District is or will become year 2000 compliant, that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become year 2000 compliant.

Casir, Davis + Schmidt, LLP

August 13, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash and cash equivalents	\$ 123,636	\$ 4,198	\$ 169,052	\$ 1,025,630
Investments	0	734,918	110,320	2,015,436
Receivables	0	0	0	928,287
Due from other funds	428,533	0	0	803,927
Property, plant and equipment	0	0	0	0
Amount available in Debt Service Fund	0	0	0	0
Amount to be provided for retirement of General long-term debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 552,169	\$ 739,116	\$ 279,372	\$ 4,773,280
LIABILITIES, EQUITY, AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 184,050	\$ 0	\$ 0	\$ 202,668
Accrued payroll and deductions	34,249	0	0	0
Due to other funds	0	91,094	197,867	943,499
Compensated absences	0	0	0	0
Excess revenue bonds payable	0	0	0	0
TOTAL LIABILITIES	218,299	91,094	197,867	1,146,167
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	0	0	0	0
Fund balance				
Reserved for debt service	0	0	81,505	0
Reserved for emergencies	0	648,022	0	0
Unreserved				
Designated for matching Statewide Flood Control	0	0	0	3,142,504
Designated for matching Federal Funding on Lafitte Levee	0	0	0	485,055
Undesignated	333,870	0	0	(446)
TOTAL EQUITY	333,870	648,022	81,505	3,627,113
TOTAL EQUITY AND OTHER CREDITS	333,870	648,022	81,505	3,627,113
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 552,169	\$ 739,116	\$ 279,372	\$ 4,773,280

See Accompanying Notes to Financial Statements.

ACCOUNT GROUPS			
GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		TOTAL (MEMORANDUM ONLY)
\$ 0	\$ 0	\$	1,322,516
0	0		2,860,674
0	0		928,287
0	0		1,232,460
3,616,950	0		3,616,950
0	81,505		81,505
0	1,188,885		1,188,885
<u>\$ 3,616,950</u>	<u>\$ 1,270,390</u>	<u>\$</u>	<u>11,231,277</u>

\$ 0	\$ 0	\$	386,718
0	0		34,249
0	0		1,232,460
0	105,390		105,390
0	1,165,000		1,165,000
<u>0</u>	<u>1,270,390</u>		<u>2,923,817</u>
3,616,950	0		3,616,950
0	0		81,505
0	0		648,022
0	0		3,142,504
0	0		485,055
0	0		333,424
<u>0</u>	<u>0</u>		<u>4,690,510</u>
<u>3,616,950</u>	<u>0</u>		<u>8,307,460</u>
<u>\$ 3,616,950</u>	<u>\$ 1,270,390</u>	<u>\$</u>	<u>11,231,277</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1999**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
REVENUES			
Federal sources	\$ 0	\$ 153,570	\$ 0
State sources	581,174	0	0
Parish sources	2,314,157	0	0
Interest	27,564	23,737	5,133
Other	120,954	0	0
TOTAL REVENUES	<u>3,043,849</u>	<u>177,307</u>	<u>5,133</u>
EXPENDITURES			
Current			
Personnel	1,055,355	48,727	0
Employee expenditures	14,889	26	0
Office	26,686	0	860
Professional services	70,530	3,167	0
Repairs and maintenance	155,428	1,500	0
Operating	210,574	130,325	0
Other	325,867	0	0
Capital outlay	284,737	0	0
Levee construction projects	0	0	0
Debt Service			
Principal	0	0	135,000
Interest	0	0	58,215
TOTAL EXPENDITURES	<u>2,144,066</u>	<u>183,745</u>	<u>194,075</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>899,783</u>	<u>(6,438)</u>	<u>(188,942)</u>
OTHER FINANCIAL SOURCES (USES)			
Operating transfers in	0	100,000	193,216
Operating transfers out	(793,216)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(793,216)</u>	<u>100,000</u>	<u>193,216</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	106,567	93,562	4,274
FUND BALANCE			
Beginning of year	227,303	554,460	77,231
Residual equity transfers	0	0	0
End of year	<u>\$ 333,870</u>	<u>\$ 648,022</u>	<u>\$ 81,505</u>

See Accompanying Notes to Financial Statements.

<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ 0	\$ 153,570
1,991,948	2,573,122
1,653,793	3,967,950
365,770	422,204
0	120,954
<u>4,011,511</u>	<u>7,237,800</u>
0	1,104,082
0	14,915
0	27,546
0	73,697
0	156,928
0	340,899
0	325,867
0	284,737
2,889,089	2,889,089
0	135,000
0	58,215
<u>2,889,089</u>	<u>5,410,975</u>
<u>1,122,422</u>	<u>1,826,825</u>
500,000	793,216
0	(793,216)
<u>500,000</u>	<u>0</u>
1,622,422	1,826,825
2,004,691	2,863,685
0	0
<u>\$ 3,627,113</u>	<u>\$ 4,690,510</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL -
GENERAL FUND
Year ended June 30, 1999**

	ACTUAL	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 0	\$ 0	\$ 0
State sources	581,174	354,000	227,174
Parish sources	2,314,157	2,355,949	(41,792)
Interest	27,564	10,000	17,564
Other	120,954	87,500	33,454
TOTAL REVENUES	<u>3,043,849</u>	<u>2,807,449</u>	<u>236,400</u>
EXPENDITURES			
Current			
Personnel	1,055,355	1,019,021	(36,334)
Employee expenditures	14,889	24,900	10,011
Office	26,686	30,500	3,814
Professional services	70,530	108,500	37,970
Repairs and maintenance	155,428	164,000	8,572
Operating	210,574	170,600	(39,974)
Other	325,867	275,840	(50,027)
Capital outlay	284,737	225,872	(58,865)
TOTAL EXPENDITURES	<u>2,144,066</u>	<u>2,019,233</u>	<u>(124,833)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>899,783</u>	<u>788,216</u>	<u>111,567</u>
OTHER FINANCIAL SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	(793,216)	(788,216)	(5,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(793,216)</u>	<u>(788,216)</u>	<u>(5,000)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	106,567	0	106,567
FUND BALANCE			
Beginning of year	227,303	227,303	0
Residual equity transfers	0	0	0
End of year	<u>\$ 333,870</u>	<u>\$ 227,303</u>	<u>\$ 106,567</u>

See Accompanying Notes to Financial Statements.

(THIS PAGE LEFT BLANK INTENTIONALLY)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

The District is a political subdivision of the State of Louisiana organized to provide flood protection for those areas contained within the Parish of Jefferson to the west of the Mississippi River. The District was incorporated August 1, 1980, under the provisions of Act 820 of the 1980 Legislative session, as amended (Civil Service code). The control and management of the affairs of the District are vested in a Board of Commissioners composed of nine qualified electors residing within the District. The members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by the members of the Legislature serving that portion of Jefferson Parish located within the District.

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

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Fund Accounting

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

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

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

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

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

General Fund

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

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Special Revenue Fund

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

Debt Service Fund

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

Capital Project Funds

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

3. Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets

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

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

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

5. Cash and Investments

For reporting purposes, cash includes amounts in demand deposits, time deposits, and certificates of deposit. Louisiana Revised Statutes allow the District to invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Investments are stated at cost or amortized cost.

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

6. Short-term Interfund Receivables/Payables

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

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Inventories

The cost of materials and supplies acquired by the District are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such material and supplies at June 30, 1999, would not be material to the financial statements.

8. Prepaid Insurance

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as expenditures when paid. It is management's opinion that the prepaid amount, if any, would not be material to the financial statements.

9. Fixed Assets

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

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

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

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

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. In accordance with the provisions of GASB Codification Section C60, no liability is recorded for nonvesting accumulating rights to receive sick leave benefits. In accordance with GASB Statement No. 16, an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

11. Long-Term Obligations

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

12. Fund Equity

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

13. Interfund Transactions

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

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

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Total Columns on Combined Statements

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

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

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

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

Budgeted amounts included in the accompanying statements are as originally adopted, or as finally amended by the Board, as of February 26, 1998.

2. Deficit Fund Balance

The Mississippi River Capital Project Fund has a deficit fund balance of \$446 at June 30, 1999. This amount is expected to be made up through additional transfers from the General Fund in future years.

3. Expenditures in Excess of Appropriations

For the year ended June 30, 1999, expenditures exceeded budget at the object level as follows:

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fund	Expenditures	Budget	Excess
General Fund			
Personnel	\$ 1,055,355	\$ 1,019,021	\$ (36,334)
Operating	210,574	170,600	(39,974)
Other Expenditures	325,867	275,840	(50,027)
Capital Outlay	284,737	225,872	(58,865)

Personnel expenditures were over budget due to unexpected overtime, primarily in the maintenance department, due to emergency situations encountered during last year's hurricane season. Operating expenditures were over budget due to additional supplies and materials needed during the emergencies noted above. Other expenditures were over budget due to additional pension and assessor fees levied on the increased property taxes. Capital outlay expenditures were over due to board approved purchases of heavy equipment. All of the over budget items were paid for out of available fund balance.

NOTE C - DEPOSITS AND INVESTMENTS

The carrying amount of the District's deposits at June 30, 1999 was \$1,322,516 and the bank balance was \$1,355,252. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. The bank balance is categorized as follows:

Risk Category	Amount
a. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$ 1,355,252
b. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name	0
c. Uncollateralized (including securities held for the entity by the pledging financial institution or its agent, but not in the entity's name)	0
Total	<u>\$ 1,355,252</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

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

Investment Type	CATEGORY			Carrying Value	Market Value
	1	2	3		
U.S. Government Instrumentalities	\$ 2,860,674	\$ 0	\$ 0	\$ 2,860,674	\$ 2,914,000

In addition, the District has \$4,700,797 on deposit with the U.S. Army Corps of Engineers (COE). These amounts are not reported on the financial statements as they are being held in jointly-owned escrow accounts pursuant to the cooperative agreements signed with the COE. As the District makes deposits into the escrow accounts, an expenditure is recognized. COE is allowed to draw on the escrow funds as needed in connection with the Westbank Hurricane Protection Levee Project. See Note J.

NOTE D - FIXED ASSETS

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

Asset Type	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 310,000	\$ 0	\$ 0	\$ 310,000
Buildings	1,862,686	0	0	1,862,686
Furniture and fixtures	145,142	5,038	(2,000)	148,180
Machinery, vehicles and equipment	1,147,621	279,679	(131,216)	1,296,084
Total	\$ 3,465,449	\$ 284,717	\$ (133,216)	\$ 3,616,950

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE E - LONG-TERM DEBT

1. Excess Revenue Bonds

On January 31, 1997, the District issued \$1,420,000 in 1996 Series Excess Revenue Bonds with an average interest rate of 4.56 percent to advance refund \$1,420,000 of outstanding 1986 Series Excess Revenue bonds with an average interest rate of 8.11 percent. These bonds are secured by, and are payable solely from, a pledge of the annual revenues of the District, sufficient to pay principal and interest, through April 1, 2006. At June 30, 1999, \$81,505 was available in the Debt Service Fund to service the debt. Bonds outstanding at June 30, 1999 totaled \$1,165,000, with interest rates ranging from 4.2 to 4.8 percent. Annual debt service requirements to maturity, including interest of \$226,860, are as follows:

Year Ending June 30,	Amount
2000	\$ 192,680
2001	191,800
2002	200,565
2003	203,525
2004	195,875
2005-2006	407,415
Total	<u>\$ 1,391,860</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE E - LONG-TERM DEBT (CONTINUED)

2. Compensated Absences

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

Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of services for retirement benefit purposes. Compensatory time is accrued up to a balance of 240 hours at a rate of time and one-half. An employee who exceeds 240 hours receives either monetary consideration or compensatory time for the amount of hours earned in excess of the 240 hour limit. Upon termination, an employee is paid for unused compensatory time.

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

3. Changes in Long-Term Debt

The following is a summary of changes in general long-term obligations of the District for the fiscal year ended June 30, 1999:

Type of Debt	Balance July 1, 1998	Additions (Reductions)	Balance June 30, 1999
1996 Excess Revenue Bonds	\$ 1,300,000	\$ (135,000)	\$ 1,165,000
Compensated Absences	93,118	12,272	105,390
Total	<u>\$ 1,393,118</u>	<u>\$ (122,728)</u>	<u>\$ 1,270,390</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE F - INTERFUND TRANSACTIONS

1. Interfund Receivables/Payables

Fund	Due To/From	Due From	Due To
General Fund	Emergency Fund Special Revenue	\$ 91,094	\$ 0
	Bond Sinking Debt Service	197,867	0
	West of Harvey Capital Project	139,572	0
		<u>\$ 428,533</u>	<u>\$ 0</u>
Emergency Special Revenue Fund	General Fund	<u>\$ 0</u>	<u>\$ 91,094</u>
Bond Sinking Debt Service	General Fund	<u>\$ 0</u>	<u>\$ 197,867</u>
Capital Projects:			
West of Harvey	General Fund	\$ 0	\$ 139,572
	Mississippi River Levee Capital Project	2,021	0
	Lafitte Levee Capital Project	801,906	0
		<u>803,927</u>	<u>139,572</u>
Mississippi River Levee	West of Harvey Capital Project	<u>0</u>	<u>2,021</u>
Lafitte Levee	West of Harvey Capital Project	<u>0</u>	<u>801,906</u>
Total Capital Project Funds		<u>\$ 803,927</u>	<u>\$ 943,499</u>
TOTAL ALL FUNDS		<u>\$ 1,232,460</u>	<u>\$ 1,232,460</u>

2. Interfund Transfers

Fund Transferred From:	Fund Transferred To:	Amount
General Fund	Emergency Special Revenue Fund	\$ 100,000
	Bond Sinking Debt Service Fund	193,216
	Lafitte Levee Capital Project Fund	500,000
Total		<u>\$ 793,216</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE F - INTERFUND TRANSACTIONS (CONTINUED)

3. Residual Equity Transfers

As required by Board Resolution, the General Fund transfers any excess funds from the previous fiscal year to the Emergency Fund. The 98/99 excess of \$106,567 will be transferred in 99/00.

NOTE G - RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

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

Reserved for Debt Service

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

Reserved for Emergencies

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

Designated for Matching Statewide Flood Control

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

Designated for Matching Federal Funds on Lafitte Levee

This designation represents the amount of funds available to match future federal grants for construction of the Lafitte levee.

NOTE H - AD VALOREM TAX

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

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE H - AD VALOREM TAX (CONTINUED)

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

The number of mills levied for operations on both the 1998 and 1997 tax rolls were 5.03. In addition, a special tax of 3.53 mills was levied in 1998 as directed by the Appeals Court to provide funds to pay an expropriation claim (See Note I).

NOTE I - COMMITMENTS AND CONTINGENCIES

1. Risk Management

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

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

2. Litigation

The District is a defendant in a number of claims and lawsuits. The District's attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the District and to arrive at an estimate, if any, of the amount or range of potential loss to the District. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" categories, as defined in GASB Codification Section C50 for Claims and Judgments. In the opinion of management, the District has adequate legal defenses or insurance coverage with respect to each of these claims and lawsuits and, except for the case outlined below, does not believe that they will materially affect the District's financial statements.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE 1 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

A 1991 order of expropriation was challenged by the landowners in district court. After trial, a judgment was rendered in favor of the landowners at a substantial amount over and above what was originally deposited with the courts. The case was appealed to the Fifth District Court of Appeals. The Appeals Court upheld the original judgement. The District then appealed the case to the State Supreme Court. On September 11, 1997, the Supreme Court denied writ applications, therefore the judgment stands. It was decided during the 97/98 fiscal year that the District would be responsible for paying the claim and would have to levy a special ad valorem tax to do so. As such, an expense/liability (including interest) was accrued in the West of Harvey Capital Project Fund at June 30, 1998. During the year ended June 30, 1999, the tax provided \$1,653,793. This amount was paid to the land owners during the year to satisfy the debt.

3. Federal and State Financial Assistance

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

4. Future Commitments

As discussed in Note J, the District has entered into "local cooperative agreements" with the Louisiana Department of Transportation and Development (DOTD) and the U.S. Army Corps of Engineers (COE) to construct a hurricane protection levee within the District's boundaries. The project is divided into three phases: 1) Westwego to Harvey Canal, authorized by the Water Resources and Development Act of 1986 (Public Law 99-682), 2) Lake Cataouatche Levee, and 3) East of Harvey Canal, both of which were authorized by the Water Resources and Development Act of 1996. Of the estimated \$294.0 million project cost, the DOTD, as the "non-federal" sponsor, is to provide 35 percent of the project cost. The District is to act as the "executive agent" for the DOTD for purposes of administering the project.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE I - COMMITMENTS AND CONTINGENCIES (CONTINUED)

During the year ended June 30, 1999, the COE provided \$6,509,000 towards the project and the District expended \$2,488,550 in direct costs, bringing the Federal Share to date to \$44,779,000 and the local share to \$49,118,073. As of June 30, 1999, the cost to complete the project is estimated to be approximately \$200.1 million (\$147.2 federal and \$52.9 non-federal). As of June 30, 1999, all of the reaches of the Westwego to Harvey Canal phase have been completed. The East of Harvey project is in the design phase. The entire project is expected to be completed by the year 2014.

Each year, the COE notifies the State and the District of the amount of cash assistance (or equivalent work) required of the "non-federal" sponsor each fiscal year. The matching funds are derived from local revenues of the District and State Capital Outlay or Statewide Flood Control monies. Any cash match is deposited into escrow accounts set up with the COE. Non-cash matches and District expenditures are submitted as "credits" to the COE to be applied against the non-federal share.

NOTE J - JOINT VENTURE - HURRICANE PROTECTION LEVEE

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

Pursuant to the authority vested in LRS 38:81, on May 5, 1993, the Governor of the State of Louisiana designated the DOTD, a state agency, as the "non-federal" sponsor of the project and relegated the District to the role of "executive agent" for the DOTD on the project. Act 1012 of the 1993 Legislative session and a new cooperative agreement, dated November 22, 1995, between the District and DOTD allowed modification of the agreement with the COE in order to set forth the responsibilities of each party in relation to the project. Under the current arrangement, DOTD is now responsible for providing the "non-federal" local share of the project cost and to provide the District with certain engineering services, as needed. The District is to act an "executive agent" for DOTD for purposes of administering the project. This arrangement was finalized in Amendment No. 1 to the Local Cooperation Agreement on April 26, 1999.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

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

Under the Water Resources and Development Act of 1996, two additional phases were added to the project - Lake Cataouatche and the East of Harvey Canal levee. The total project cost is currently estimated at \$294.0 million. Of this, \$192.0 million is federal and \$102.0 is state/local (i.e., "non-federal"). The non-federal local share of the project is being funded in various ways. A significant portion is coming from "expenses of non-federal interests" allowed by the COE for interim and compatible expenditures incurred by the District.

In addition, the District has obtained commitments from the State of \$11,391,030 through the Statewide Flood Control Program. This amount represents 70 percent of the estimated construction cost of the Westwego to Harvey Canal phase to be borne by the non-federal sponsor. The District is required to put up the remaining 30 percent as a match. To date, the entire \$11,391,030 has been appropriated by the State. Of this amount, \$8,417,110 has been expended, leaving an available balance of \$2,973,920. This balance will result in a required future match of \$1,274,537. The District has designated a portion of the West of Harvey Canal Capital Project Fund's fund balance for purposes of matching the state funds.

Funding has also been received through the State Capital Outlay Program (State Project No. 750-99-0102). To date, \$200,000 was received out of 95/96 funds and \$500,000 was received out of 96/97 funds. An additional \$1,500,000 was approved out of the 98/99 program. Of this amount, \$928,287 has been expended by the District through June 30, 1999 and has been accrued as receivable from the State.

NOTE K - PENSION PLAN

1. Plan Description and Provisions

The District contributes to the Louisiana State Employees' Retirement System (the "System"), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of State agencies and their staffs, which is administered and controlled by a separate board of trustees. The System was established and provided for within Title 11 of Chapter 401 of the Louisiana Revised Statutes.

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

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999**

NOTE K - PENSION PLAN (CONTINUED)

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809.

2. Funding Policy

In addition to ad valorem and insurance premium taxes that are remitted to the System (which constitute the major funding of the System), plan members are required by state statute to contribute 7.50 percent of gross salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.40% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees.

The contributions for the year ended June 30, 1999 were as follows:

	Amount	Percent of Covered Payroll
Employee	\$ 48,542	7.50%
Employer	\$ 80,359	12.40%

The District's contributions for the previous two fiscal years were \$83,236 and \$88,114, which equaled the required contributions for each year.

NOTE L - POST-EMPLOYMENT HEALTH CARE BENEFITS

The District provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the District. The District recognizes the cost of providing these benefits (District's portion of premiums) as an expenditure when paid during the year, which was \$25,000 for the year ended June 30, 1999. The cost of providing those benefits for 9 retirees is not separable from the cost of providing benefits for the 30 active employees.

**SUPPLEMENTARY INFORMATION
REQUIRED BY THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

The following pages contain supplementary information as required by *Technical Bulletin 98-1*, issued by the Governmental Accounting Standards Board (GASB) in October 1998. The provisions of the GASB technical bulletin, effective for financial statements dated after October 31, 1998, require disclosures in the notes to the financial statements about the governmental entity's readiness in addressing Year 2000 issues for its computer systems and other electronic equipment. In March 1999, GASB issued *Technical Bulletin 99-1*, which allowed the disclosure of Year 2000 issues as required supplementary information.

(THIS PAGE LEFT BLANK INTENTIONALLY)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 1999**

Year 2000 Issues

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the West Jefferson Levee District as early as fiscal year 98/99.

In order to address the Year 2000 issues in Louisiana, the Governor issued Executive Order MJF 96-50 "Computer Systems Compliance", which mandates that each agency and department in Louisiana evaluate the impact of the Year 2000 on their current information systems, determine which systems must be corrected or replaced, and initiate corrective action.

The following stages have been identified as necessary to address Year 2000 issues:

- Awareness Stage - Encompasses establishing a budget and project plan (for example, a time line or chart noting major tasks and due dates) for dealing with the Year 2000 issue.
- Assessment Stage - When the organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for Year 2000 compliance or through a risk analysis, identify only mission-critical systems and equipment (systems and equipment critical to conducting operations) to check for compliance.
- Remediation Stage - When the organization actually makes changes to systems and equipment. This stage deals primarily with the technical issues of converting existing systems or switching to compliant systems. During this stage, decisions are made on how to make the systems or processes Year 2000 compliant, and the required system changes are made.
- Validation/Testing Stage - When the organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and retested.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
As of June 30, 1999

Computers are used by the District primarily for accounting and financial reporting purposes. The primary applications and modules associated with this financial system operate out of the District's PIC operating system and reside on the District's PC's and servers.

The District's management, along with its computer consultant, has already assessed, remediated, and validated/tested the general ledger accounting system for Year 2000 compliance. This process was completed in October 1998. No additional commitments related to Year 2000 compliance exist at June 30, 1999.

Management of the District believes that the process described above will enable the District to *be in compliance with regards to the processing and recording of transactions and will thus enable its electronic data processing systems to process date and/or date-related information correctly before, during, and after January 1, 2000.* However, because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determined until the Year 2000 and thereafter. Consequently, management cannot *guarantee that the District's systems are or will be ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom it does business with will be Year 2000 ready.*

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL FUND

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

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET TO ACTUAL
Year Ended June 30, 1999**

	<u>ACTUAL</u>	<u>AMENDED BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
FEDERAL SOURCES			
FEMA reimbursement	\$ 0	\$ 0	\$ 0
STATE SOURCES			
Revenue sharing	578,595	354,000	224,595
DOTD - levee maintenance	2,579	0	2,579
TOTAL STATE SOURCES	<u>581,174</u>	<u>354,000</u>	<u>227,174</u>
PARISH SOURCES			
Ad valorem taxes	<u>2,314,157</u>	<u>2,355,949</u>	<u>(41,792)</u>
INTEREST			
Interest - cash accounts	20,652	10,000	10,652
Interest - investments	6,912	0	6,912
TOTAL INTEREST	<u>27,564</u>	<u>10,000</u>	<u>17,564</u>
OTHER INCOME			
Oil and gas royalties	66,573	82,000	(15,427)
Sale of equipment	44,241	0	44,241
Permit fees	0	500	(500)
Miscellaneous	10,140	5,000	5,140
TOTAL OTHER INCOME	<u>120,954</u>	<u>87,500</u>	<u>33,454</u>
TOTAL REVENUES	<u>\$ 3,043,849</u>	<u>\$ 2,807,449</u>	<u>\$ 236,400</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
Year Ended June 30, 1999**

	<u>ACTUAL</u>	<u>AMENDED BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
PERSONNEL			
Commissioners' per diem	\$ 23,625	\$ 21,600	\$ (2,025)
Salaries			
President	12,000	12,000	0
Administration	217,059	215,343	(1,716)
Maintenance	549,192	505,434	(43,758)
Health insurance	133,336	130,698	(2,638)
Retirement	80,359	84,168	3,809
Payroll taxes	7,555	8,406	851
Worker's compensation	27,293	34,972	7,679
Unemployment insurance	(79)	0	79
Physicals	1,965	3,500	1,535
Commissioners' life insurance	3,050	2,900	(150)
TOTAL PERSONNEL	<u>1,055,355</u>	<u>1,019,021</u>	<u>(36,334)</u>
EMPLOYEE EXPENDITURES			
Travel and conventions			
Commissioners	6,355	9,000	2,645
Administration	5,880	12,000	6,120
Maintenance	608	1,500	892
Civil service fees	2,046	2,400	354
TOTAL EMPLOYEE EXPENDITURES	<u>14,889</u>	<u>24,900</u>	<u>10,011</u>
OFFICE			
Advertising	2,090	3,000	910
Dues and subscriptions	2,496	5,000	2,504
Printing	1,026	3,000	1,974
Office supplies	15,158	14,000	(1,158)
Postage	2,676	4,000	1,324
Janitorial supplies	3,240	1,500	(1,740)
TOTAL OFFICE	<u>26,686</u>	<u>30,500</u>	<u>3,814</u>
PROFESSIONAL SERVICES			
Attorney	45,733	85,000	39,267
Accounting	7,500	7,500	0
Computer consultants	14,862	15,000	138
Oil and gas consultants	2,435	0	(2,435)
Insurance consultants	0	1,000	1,000
TOTAL PROFESSIONAL SERVICES	<u>70,530</u>	<u>108,500</u>	<u>37,970</u>

(Continued)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL (CONTINUED)
Year Ended June 30, 1999**

	<u>ACTUAL</u>	<u>AMENDED BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REPAIRS AND MAINTENANCE			
Administration			
Equipment	\$ 287	1,500	\$ 1,213
Building	4,521	4,000	(521)
Maintenance contracts	12,898	12,000	(898)
Outside repairs	0	0	0
Maintenance			
Building	6,168	30,000	23,832
Outside repairs	43,035	50,000	6,965
Miscellaneous	0	0	0
Parts and supplies	81,670	60,500	(21,170)
Uniforms	4,519	0	(4,519)
Tires	2,330	6,000	3,670
TOTAL REPAIRS AND MAINTENANCE	<u>155,428</u>	<u>164,000</u>	<u>8,572</u>
OPERATING			
Telephone	24,561	20,500	(4,061)
Property and equipment rental	43,844	24,000	(19,844)
Utilities	30,135	40,700	10,565
Fuel	23,164	34,200	11,036
Small tools	2,965	5,000	2,035
Supplies - general	85,745	46,000	(39,745)
Other	160	200	40
TOTAL OPERATING	<u>210,574</u>	<u>170,600</u>	<u>(39,974)</u>
OTHER			
Insurance premiums	131,902	136,840	4,938
Claims and judgments	2,389	20,000	17,611
Miscellaneous	691	2,000	1,309
Ad valorem tax commissions and withholdings			
Assessor	67,431	4,500	(62,931)
Sheriff	3,886	4,500	614
State retirement systems	119,568	108,000	(11,568)
TOTAL OTHER	<u>325,867</u>	<u>275,840</u>	<u>(50,027)</u>
SUBTOTAL - CURRENT EXPENDITURES	<u>1,859,329</u>	<u>1,793,361</u>	<u>(65,968)</u>
CAPITAL OUTLAY			
Equipment	21,430	22,872	1,442
Vehicles and heavy equipment	263,307	203,000	(60,307)
TOTAL CAPITAL OUTLAY	<u>284,737</u>	<u>225,872</u>	<u>(58,865)</u>
TOTAL EXPENDITURES	<u>\$ 2,144,066</u>	<u>\$ 2,019,233</u>	<u>\$ (124,833)</u>

SPECIAL REVENUE FUNDS

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

EMERGENCY FUND

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

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SPECIAL REVENUE FUND
SCHEDULE OF REVENUES
Year Ended June 30, 1999**

	<u>EMERGENCY FUND</u>
FEDERAL SOURCES	
FEMA reimbursement	\$ <u>153,570</u>
INTEREST	
Interest - cash accounts	6,832
Interest - investments	16,905
	<u>23,737</u>
TOTAL INTEREST	<u>23,737</u>
TOTAL REVENUES	<u>\$ <u>177,307</u></u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SPECIAL REVENUE FUND
SCHEDULE OF EXPENDITURES
Year Ended June 30, 1999**

	<u>EMERGENCY FUND</u>
PERSONNEL	
Salaries	
Administration	\$ 3,825
Maintenance	44,902
TOTAL PERSONNEL	<u>48,727</u>
EMPLOYEE EXPENDITURES	
Travel and conventions	
Administration	26
TOTAL EMPLOYEE EXPENDITURES	<u>26</u>
PROFESSIONAL SERVICES	
Other Consultants	3,167
TOTAL PROFESSIONAL SERVICES	<u>3,167</u>
REPAIRS AND MAINTENANCE	
Outside repairs	1,389
Parts and supplies	111
TOTAL REPAIRS AND MAINTENANCE	<u>1,500</u>
OPERATING	
Property and equipment rental	77,348
Fuel	210
Supplies - general	52,767
TOTAL OPERATING	<u>130,325</u>
TOTAL EXPENDITURES	<u>\$ 183,745</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

CAPITAL PROJECT FUNDS

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

WEST OF HARVEY CANAL

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

MISSISSIPPI RIVER LEVEE

Used to account for the activity and federal funds received for the relocation of pipelines and utilities located along Item M98.3 to 95-R of the Mississippi river Levees, Gretna Levee Enlargement, I-Wall Setback, and Concrete Slope Pavement, Phase IIB.

LAFITTE LEVEE

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

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
June 30, 1999**

	WEST OF HARVEY CANAL	MISSISSIPPI RIVER LEVEE	LAFITTE LEVEE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,016,891	\$ 6,575	\$ 2,164	\$ 1,025,630
Investments	730,639	0	1,284,797	2,015,436
Receivables	928,287	0	0	928,287
Due from other funds	803,927	0	0	803,927
TOTAL ASSETS	\$ 3,479,744	\$ 6,575	\$ 1,286,961	\$ 4,773,280
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 197,668	\$ 5,000	\$ 0	\$ 202,668
Due to other funds	139,572	2,021	801,906	943,499
TOTAL LIABILITIES	337,240	7,021	801,906	1,146,167
FUND EQUITY				
Fund balance				
Unreserved				
Designated for matching				
Statewide Flood Control	3,142,504	0	0	3,142,504
Designated for matching				
Federal Funding on Lafitte Levee	0	0	485,055	485,055
Undesignated	0	(446)	0	(446)
TOTAL FUND EQUITY	3,142,504	(446)	485,055	3,627,113
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,479,744	\$ 6,575	\$ 1,286,961	\$ 4,773,280

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999**

	WEST OF HARVEY CANAL	MISSISSIPPI RIVER LEVEE	LAFITTE LEVEE	TOTAL
REVENUES				
Federal sources	\$ 0	\$ 0	\$ 0	\$ 0
State sources	1,991,948	0	0	1,991,948
Parish sources	1,653,793	0	0	1,653,793
Interest	346,596	316	18,858	365,770
TOTAL REVENUES	<u>3,992,337</u>	<u>316</u>	<u>18,858</u>	<u>4,011,511</u>
EXPENDITURES				
Levee Construction Projects				
Personnel	1,574	0	402	1,976
Professional Services	1,072,804	50	125,844	1,198,698
Land and servitudes	(42,646)	0	0	(42,646)
Construction costs	1,450,047	0	0	1,450,047
Other	6,771	0	274,243	281,014
TOTAL EXPENDITURES	<u>2,488,550</u>	<u>50</u>	<u>400,489</u>	<u>2,889,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,503,787</u>	<u>266</u>	<u>(381,631)</u>	<u>1,122,422</u>
OTHER FINANCIAL SOURCES (USES)				
Operating transfers in	0	0	500,000	500,000
Operating transfers out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>1,503,787</u>	<u>266</u>	<u>118,369</u>	<u>1,622,422</u>
FUND BALANCE				
Beginning of year	1,638,717	(712)	366,686	2,004,691
End of year	<u>\$ 3,142,504</u>	<u>\$ (446)</u>	<u>\$ 485,055</u>	<u>\$ 3,627,113</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**WEST OF HARVEY CANAL - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH
Year Ended June 30, 1999**

East of Harvey	\$	3,100
Board Attorney		638,307
Other consultants		216,999
Engineering		
Total East of Harvey		<u>858,406</u>
Cataouatche Levee		2,200
Board Attorney		350
Abstract and title fees		5,475
Surveyors/testing		
Total Cataouatche Levee		<u>8,025</u>
Project Management		18,925
Board Attorney		2,127
Other attorneys		3,604
Engineering		48
Equipment rental		13,776
Bank charges		
Total Project Management		<u>38,480</u>
Old Westwego to New Westwego		1,574
Salaries		475
Board Attorney		6,723
Levee Supplies		(5,127)
Land		
Total Old Westwego to New Westwego		<u>3,645</u>
Westwego Airport Floodwall		25,300
Board Attorney		62,990
Other attorneys		2,400
Abstract and title fees		2,990
Surveyors/testing		(37,250)
Land		
Total Westwego Airport Floodwall		<u>56,430</u>
Orleans Village to Highway 45		200
Board Attorney		1,500
Appraisal fees		665
Surveyors/testing		
Total Orleans Village to Highway 45		<u>2,365</u>
Ames Pump to Highway 45		150
Board Attorney		
Total Ames Pump to Highway 45		<u>150</u>
Highway 45		2,875
Board Attorney		43,300
Other attorneys		
Total Highway 45		<u>46,175</u>

(Continued)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**WEST OF HARVEY CANAL - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH (CONTINUED)
Year Ended June 30, 1999**

V-Line West	
Board Attorney	1,200
Land	(309)
Total V-Line West	<u>891</u>
Highway 3134 Elevation	
Engineering	1,500
Construction costs	1,450,047
Total Highway 3134 Elevation	<u>1,451,547</u>
V-Line East	
Board Attorney	2,814
Abstract and title fees	5,570
Total V-Line East	<u>8,384</u>
Estelle Pump Station Floodwall	
Abstract and title fees	1,570
Purchases of servitudes	20
Total Estelle Pump Station Floodwall	<u>1,590</u>
Estelle Pump Station to Cousins	
Board Attorney	8,475
Other attorneys	3,967
Purchases of servitudes	20
Total Estelle Pump Station to Cousins	<u>12,462</u>
 TOTAL EXPENDITURES	 \$ <u>2,488,550</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**LAFITTE LEVEE - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH
Year Ended June 30, 1999**

Project Management		
Board attorney	\$	400
Engineering		560
Levee supplies		66,780
Equipment rental		188,608
Total Project Management		<u>256,348</u>
Rosethorne Levee		
Abstract and title fees		1,100
Engineering		16,868
Total Rosethorne Levee		<u>17,968</u>
Lafitte Levee Project		
Personnel		402
Levee supplies		804
Equipment rental		9,076
Total Lafitte Levee Project		<u>10,282</u>
Lower Goose Bayou		
Other consultants		2,117
Engineering		8,207
Feasibility Study		40,000
Total Lower Goose Bayou		<u>50,324</u>
Barataria Levee Project		
Other consultants		2,471
Engineering		8,133
Feasibility Study		40,000
Levee supplies		424
Equipment rental		8,550
Total Barataria Levee Project		<u>59,578</u>
Gloria Drive Project		
Board attorney		1,000
Total Gloria Drive Project		<u>1,000</u>
Fisher Basin Levee		
Other consultants		4,233
Total Fisher Basin Levee		<u>4,233</u>
Goose Bayou Mitigation		
Engineering		756
Total Goose Bayou Mitigation		<u>756</u>
TOTAL EXPENDITURES	\$	<u>400,489</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

SUPPLEMENTAL INFORMATION

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF COMMISSIONERS' PER DIEMS
Year Ended June 30, 1999**

<u>NAME</u>	<u>NUMBER OF REGULAR MEETINGS</u>	<u>NUMBER OF EMERGENCY MEETINGS</u>	<u>PER DIEMS PAID</u>
Anthony Caramonta	36	8	\$ 3,300
Clarence Guidry	28	10	2,850
Ron Jones	36	2	2,850
Byron Lee	36	19	4,125
Philip Loyacano	36	20	4,200
Eugene Orgeron	23	6	2,175
Tommy Plaisance	36	5	3,075
Rita Scheffler	14	0	1,050
			\$ <u>23,625</u>

In addition, Harry Cahill serves as both the President of the District and a Commissioner. He receives an annual salary of \$12,000.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF STATE FUNDING
Year Ended June 30, 1999**

<u>DESCRIPTION OF FUNDING</u>	<u>AMOUNT</u>
State Revenue Sharing	\$ 578,595
DOTD Levee Maintenance Contract	2,579
Statewide Flood Control - # 576-26-04	1,169,340
DOTD State Project No. 750-99-0102	822,608
Total	\$ <u>2,573,122</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1999**

FEDERAL AGENCY/ PROGRAM TITLE	CFDA NUMBER	GRANT/ PROJECT NUMBER	GRANT PERIOD	
			FROM	TO
DIRECT ASSISTANCE:				
Federal Emergency Management Agency Disaster Assistance (Hurricanes Georges/Frances)	83.516	FEMA-1246-DR-LA	Project Completion	
TOTAL DIRECT ASSISTANCE				
INDIRECT ASSISTANCE				
U.S. Army Corps of Engineers West Bank Hurricane Protection Levee	Unknown	N/A	N/A	N/A
TOTAL FEDERAL ASSISTANCE				

(1) - These amounts represent the indirect assistance received under a Local Cooperative Agreement with the Corps of Engineers. The Water Resources & Development Acts of 1986 and 1996 provided for the construction of a hurricane protection levee within the District's boundaries. Pursuant to a "local cooperative agreement", the District, LA-DOTD and the U.S. Army Corps of Engineers are constructing the levees as a joint-venture. LA-DOTD and the District are to provide 35 percent of the cost as a local match (i.e., the "non-federal" share). This "non-federal" share is to be made up of expropriations, easements, land acquisitions, and relocation assistance. Although no direct financial assistance is received, of the \$294.0 million project cost, \$192.0 is federal and \$102.0 is non-federal. For the year ended June 30, 1999, the U.S. Army Corps of Engineers provided \$6,509,000 to the project, while the District expended \$2,488,550 on the West Bank Hurricane Protection Levee Project. Despite the fact that no direct federal assistance is received, this cooperative agreement program will be treated as a "major" program under OMB Circular A-133.

NOTES TO SCHEDULE:

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

<u>TOTAL GRANT AWARD</u>	<u>ACCRUED (DEFERRED) REVENUE JUNE 30, 1998</u>	<u>CASH/ ASSISTANCE RECEIVED DURING YEAR</u>	<u>ACCRUED (DEFERRED) REVENUE JUNE 30, 1999</u>	<u>TOTAL REVENUE RECOGNIZED</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
Reimbursement \$	0 \$	153,570 \$	0 \$	153,570 \$	153,570
	<u>\$ 0</u>	<u>153,570 \$</u>	<u>0 \$</u>	<u>153,570</u>	<u>153,570</u>
N/A		6,509,000 (1)			6,509,000 (1)
		<u>\$ 6,662,570</u>			<u>\$ 6,662,570</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

SINGLE AUDIT SECTION

FRANCIS J. CASCIO, CPA
JAN E. DAVIS, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

We have audited the financial statements of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 13, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Casio, Davis & Schmitt, LLP

August 13, 1999

FRANCIS J. CASCIO, CPA
JAN E. DAVIS, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

Compliance

We have audited the compliance of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Casio, Davis + Schmitt, LLP

August 13, 1999

WEST JEFFERSON LEVEE DISTRICT
State of Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 1999

Summary of Auditor's Results

- The auditor's report expresses an unqualified opinion on the general purpose financial statements of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 1999.
- No reportable conditions related to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit Performed in Accordance With *Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District was noted during the audit.
- No reportable conditions relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Controls Over Compliance in Accordance With OMB Circular A-133.
- The auditor's report on compliance for the major federal award programs for the District expresses an unqualified opinion on all major federal programs.
- There are no findings relative to the major federal awards programs for the District that require disclosure in this schedule.
- The programs tested as major federal award programs include:

CFDA	Program Name
Unknown	Water Resources & Development Act, Westbank Hurricane Protection Levee

- The threshold for distinguishing Type A and Type B programs was \$300,000 (although, it should be noted that the Westbank Hurricane Protection Levee project is being conducted under a "cooperative endeavor agreement" and no direct federal assistance was received).
- The District was not considered to be a "low-risk" auditee.

WEST JEFFERSON LEVEE DISTRICT
State of Louisiana

SCHEDULE OF FINDING AND QUESTIONED COSTS (CONTINUED)
For The Year Ended June 30, 1999

Findings Relating to the Financial Statements

COMPLIANCE WITH LAWS AND REGULATIONS

NONE

REPORTABLE CONDITIONS

NONE

Findings and Questioned Costs - Major Federal Award Program Audit

NONE

Status of Prior Year Findings and Questioned Costs

98-1. PRIOR YEAR FINDING

LRS 39:1225 requires that the amount of securities pledged against deposits shall at all times be equal to one hundred percent of the amount on deposit, except for that portion of the deposits which are insured. During my testwork on cash balances and securities pledged, I noted that the District's deposits exceeded the amount of securities pledged and insurance by \$400,686.

STATUS

No un-collateralized balances were noted during this fiscal year.