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PONTCHARTRAIN LEVEE DISTRICT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1998

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

Release Date: 9/11/2017



Postlethwaite & Netterville

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PONTCHARTRAIN LEVEE DISTRICT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1959

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Postlethwaite & Netterville

A Professional Accounting Corporation
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501 MEMORIAL DRIVE • POST OFFICE BOX 178 • DONALDSONVILLE, LOUISIANA 70048 • TELEPHONE (504) 833-6000 • FACSIMILE 875-1544

INDEPENDENT AUDITORS' REPORT

Board of Levee Commissioners of
Parishamais Levee District
State of Louisiana
Lusher, Louisiana

We have audited the accompanying general purpose financial statements of the Parishamais Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1998. These general purpose financial statements are the responsibility of the Parishamais 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. Those 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 aspects, the financial position of the Parishamais Levee District as of June 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 14, the District changed its method of accounting for investments in 1998 as required by the provisions of Governmental Accounting Standards Board No. 31.

In accordance with Government Auditing Standards, we have also issued a report dated September 10, 1998 on our consideration of the Parishamais Levee District's internal control over financial reporting and our test of its compliance with laws, regulations, contracts, and grants.

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

Donaldsonville, Louisiana
September 10, 1998

PONTIAC TRAINS LEVEE DISTRICT

Statement 1
1 of 2

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2008

	Governmental Fund Types		Account Group		Total (Governmental Fund)
	General	Debt Service	General Fund Assets	General Long-Term Debt	
458825					
Cash	\$ 476,755	-	\$ 476,755	\$ -	\$ 476,755
Certificates of Deposit	3,871,021	-	3,871,021	-	3,871,021
Investments	-	-	7,050,513	-	7,050,513
Receivables, net	176,249	-	30,000	-	196,249
Due from other funds	-	-	-	-	-
Interstates, if any	26,091	-	-	-	26,091
Fund assets	-	-	2,484,000	-	2,484,000
Account to be provided for retirement of general long-term obligations	-	-	-	111,977	111,977
TOTAL 458825	\$ 4,526,116	\$ -	\$ 11,882,289	\$ 111,977	\$ 12,519,382

The accompanying notes are an integral part of this statement.

FONTICHAUBRAINS LEASE DISTRICT

Statement A

1 of 1

**COMBINED BALANCE SHEET - ALL FUND TYPES AND
ACCOUNT GROUPS
JUNE 30, 2018**

	Governmental Fund Types		Account Group			Total (Administrative Debt)
	General	Debt Service	Capital Projects	General		
				Fixed Assets	Long-Term Debt	
LIABILITIES AND DEFERRED						
Liabilities						
Accounts payable	\$ 11,728	\$ -	\$ 1,024	\$ -	\$ -	\$ 12,752
Retainage and wages payable	45,570	-	-	-	-	45,570
Due to other funds	-	-	-	-	-	-
Accrued liabilities	19,228	-	-	-	-	19,228
Bonds and interest payable - current	-	-	-	-	-	-
Exp. on M&S	-	-	-	-	111,897	111,897
Other - compensated liabilities	-	-	-	-	-	-
Total liabilities	76,526	-	1,024	-	111,897	189,447
Fund Equity:						
Investment in general fund assets	-	-	-	1,024,000	-	1,024,000
Fund balance	50,000	-	-	-	-	50,000
Reserve for inventory	60,000	-	-	-	-	60,000
Reserve for flood mitigation projects	21,000	-	-	-	-	21,000
Reserve for contingencies	1,850,500	-	13,149,722	-	-	15,000,222
Unreserved and unexpended	9,000,000	-	12,149,722	2,699,528	-	14,849,250
Total equity	5,531,500	-	13,149,722	2,699,528	-	11,380,750
TOTAL LIABILITIES AND FUND EQUITY	\$ 76,526	\$ -	\$ 13,149,722	\$ 2,699,528	\$ 111,897	\$ 189,447

The accompanying notes are an integral part of this statement.

PONTCHARTRAIN LEVEE DISTRICT

Statement #1

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1998**

	General	Capital Projects	Total (Disbursements Only)
REVENUES			
Taxes	\$ 3,002,909	\$ -	\$ 3,002,909
Intra-governmental revenues	504,000	900,000	1,404,000
Investment Income	110,000	414,000	524,000
Other - Sale of Equipment/Miscellaneous	80,177	-	80,177
Total revenues	<u>4,557,086</u>	<u>1,314,000</u>	<u>5,871,086</u>
EXPENDITURES			
General administration	910,480		910,480
Employee related benefits	502,744		502,744
Taxes	17,406		17,406
Operating services	250,744		250,744
Materials and supplies	84,577		84,577
Professional services	65,776		65,776
Capital outlay	466,343	208,000	674,343
Other charges	108,279		108,279
Total expenditures	<u>2,885,689</u>	<u>208,000</u>	<u>3,093,689</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,671,397	1,106,000	3,777,397
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	3,000,000	3,000,000
Operating transfers out	(3,000,000)	-	(3,000,000)
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>3,000,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	671,397	4,106,000	4,777,397
FUND BALANCE			
BEGINNING OF YEAR, as stated	\$0,000,000	\$0,000,000	\$0,000,000
INCREASE IN DEBITORY	5,940	-	5,940
END OF YEAR	<u>\$ 677,337</u>	<u>\$ 4,106,000</u>	<u>\$ 4,783,337</u>

The accompanying notes are an integral part of this statement.

PONTIAC TRAILS LEVY DISTRICT

Statement C

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AS ACTUAL
YEAR ENDED JUNE 30, 1978**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES			
Ad valorem taxes	\$ 3,411,000	\$ 3,449,000	\$ 38,000
State system sharing	298,500	304,000	5,500
Interest on delinquent taxes	1,000	7,000	6,000
Sale of equipment	40,000	52,071	12,071
Interest earnings	600,000	494,000	(106,000)
Other - Sale of Equipment/Refund/Overrun	2,000	21,786	19,786
Total revenues	4,753,000	4,428,100	(324,900)
EXPENDITURES			
Executive and administrative:			
President's salary	6,000	-	6,000
President's expenses	1,200	-	1,200
Commissioner's per diem	20,000	11,200	8,800
Commissioner's mileage	6,000	1,300	4,700
Secretary's salary	1,200	7,200	6,000
Commissions and meeting expenses	12,000	6,000	6,000
Membership dues	1,800	2,000	2,200
Employees' related benefits:			
Social security	450	1,200	750
Medicare	150	200	50
Retirement	800	-	800
Refund executive and administrative	22,750	11,600	11,150
General administrative:			
Salaries:			
Clerical	60,000	60,000	-
Executive director	34,000	52,504	18,504
Project earnings	30,000	20,000	(10,000)
Professional services:			
Legal services	20,000	21,000	1,000
Construction Engineer	24,000	20,100	(3,900)
Construction/Accountant Expenses	2,000	4,000	2,000

The accompanying notes are an integral part of this statement.

NORTHBATH TOWN LEISURE DISTRICT

Statement C

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL YEAR ENDING JUNE 30, 1998

	Budget	Actual	Variance Favorable/ Unfavorable
EXPENDITURE CENTER			
General administration (Cont'd)			
Employees' related benefits:			
Medicare	\$ 2,000	\$ 1,711	\$ 289
Retirement contributions	20,000	19,266	734
Social security	-	1,125	(1,125)
Group insurance	20,000	20,000	3,284
Supplies	8,000	7,703	297
Operating services	27,150	27,380	(230)
Insurance contracts	4,000	3,251	749
Repairs	4,500	3,700	1,700
Contractor expenses	6,500	4,008	2,492
Taxes and other charges	3,000	3,417	(2,387)
Automated systems	3,000	3,000	800
Maintenance	3,000	2,900	(800)
Acquisitions for other	24,000	27,028	(1,028)
Accounting services	8,000	9,020	(2,000)
Card service fee	4,500	3,181	1,319
Auto expense	11,000	11,200	(1,000)
Maintenance of property/equipment	20,000	7,575	12,425
Indemnities from of various taxes - premium fund	100,000	120,000	(20,000)
Subtotal general administration expenditures	<u>571,620</u>	<u>484,458</u>	<u>87,162</u>
Leisure maintenance:			
Salaries:			
Kaplan	\$ 100,000	\$ 107,000	\$ (7,000)
Orfanos	15,000	16,500	(1,500)
Employees' related benefits:	67,000	66,884	116
Retirement	500	-	500
Social security	3,000	1,400	1,600
Medicare	200,000	207,686	(7,686)
Group insurance	14,000	7,600	6,400
Operating services	70,000	70,415	(415)
Maintenance and repairs	95,000	73,411	21,589
Materials and supplies	1,000	800	200
Taxes and other charges	170,120	191,294	(21,174)
Equipment and vehicles	1,000,000	1,000,000	-
Subtotal leisure maintenance	<u>1,954,720</u>	<u>1,271,600</u>	<u>683,120</u>

The accompanying notes are an integral part of this statement.

PONTIAC TRAINS LEVEL DISTRICT

Statement C

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (NON-GRAT BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998**

	Budget	Actual	Variance Favorable (\$/percent)
EXPENDITURES (CONT'D)			
Less: police			
Salaries			
Regular	\$ 50,000	\$ 83,113	\$ 12,487
Overtime	1,000	-	1,000
Employees' related benefits			
Retirement	12,000	10,077	1,623
Medical	305	100	174
Group term life	10,700	10,605	45
Materials and supplies	10,000	4,000	4,000
Maintenance - (PROPERTY) and equipment	1,000	1,000	1,000
Purchase of equipment	20,000	1,213	18,787
Public official meals	500	300	(150)
Travel and other charges	1,000	500	500
Subtotal less police	105,705	110,942	25,018
Other - insurance	250,000	111,200	128,787
Flood light contingency fund	50,000	-	50,000
Emergency	25,000	-	25,000
Accounts Payable Study	-	200,000	(200,000)
Total expenditures	3,441,354	3,780,270	604,094
EXCESS OF REVENUES OVER EXPENDITURES	1,210,406	2,193,033	421,897
(C) (B) FINANCING SOURCE (FUND)			
Transfer-in	(1,000,000)	(1,000,000)	(1,000,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER DEBITED USES AND OTHER USES	(801,094)	890,067	(571,007)
FUND BALANCE AT BEGINNING OF YEAR	8,071,734	10,080,000	1,998,267
FUND BALANCE AT END OF YEAR	\$ 7,270,640	\$ 8,077,067	\$ 1,011,260

The accompanying notes are an integral part of this statement.

FOUCHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Fouchartrein Levee District was created by Louisiana Revised Statute (L.S.A.-R.S.) 8:291(1). 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 Fouchartrein Levee District consists of nine members appointed by the governor.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

In April 1994, 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 2100 has defined the governmental reporting entity to be the State of Louisiana. The levee district is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commissioners, and public service is rendered within the state's boundaries. The accompanying statements present information only as to the transactions of the Fouchartrein 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 government functions or activities.

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

MONTECHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

Funds of the levee district that are presented in the financial statements 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 monies, the acquisition or construction of general fund 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. **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.

The account groups are not funds. They are concerned only with the measurement of financial position, not with the measurement of results of operations. Account groups are used to establish accounting control and accountability for the district's general fund assets and general long-term debt.

1. **General Fixed Asset Account Group** - Fixed assets used in governmental fund type operations (general fund assets) are accounted for in the general fixed asset account group, rather than in the governmental funds.
2. **General Long-Term Debt Account Group** - Compensated absences payable that are expected to be financed from governmental funds is accounted for in the general long-term debt account group.

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:

PONTIAC/TRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Revenues

All valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem 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, certificates of deposits, and investments are recorded when earned and available.

Items are recorded in the year earned.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which are recognized when paid.

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 measurable and available. Amounts received from the sale of fixed assets and insurance settlements are recognized when the funds are received.

2. Budget Practices

The proposed General Fund budget for the fiscal year ended June 30, 1997, was completed and made available for public inspection at the levee district's main office on March 27, 1997, 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 on April 3, 1997. 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 presented on a cash basis of accounting. The budget practices of the Pontchartrain Levee District are subject to the provisions of LSA-R.S. 38:118. General Fund revenues, expenditures, and other financial sources shown on Statement B are reconciled with the amounts reflected on the budget comparison (Statement C) as follows:

PONTCHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Statement B revenues	\$4,357,654
Add:	
Prior-year receivables	790,758
Less - current-year receivables	<u>(1,174,222)</u>
Statement C revenues	<u>\$3,974,190</u>
Statement B expenditures	\$2,285,853
Add - prior-year payables	79,484
Less - Current-year payables	<u>(1,172,283)</u>
Statement C expenditures	<u>\$1,293,054</u>

F. Cash and Certificates of Deposit

Cash includes petty cash, money market accounts, and cash in the state treasury. Under state law, the Pontchartrain Levee District may deposit funds and invest in Certificates of Deposit within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States.

G. Investments

The Pontchartrain Levee District may also invest in bonds, debentures and other instruments which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States and issued or guaranteed by United States government instrumentalities which are federally sponsored. Investments are stated at fair value.

Investment income includes interest earned, realized gains and losses and unrealized gains and losses (changes in fair value).

FRANCISCHARTAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies (continued)

H. Inventories

Inventories of fuel and motor 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 equally offset by a fund balance reserve that indicates they do not constitute available spendable resources even though they are components of net current assets.

I. 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 expected to be financed from governmental funds are accounted for in the general long-term obligations account group, but in the governmental funds. This includes compensated absences for accumulated unpaid annual leave benefits of General Fund employees.

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

J. Compensated Absences

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employer's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The cost of current leave privileges, computed in accordance with GASB Codification Section 660, 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.

K. Unemployment, Health Care and Life Insurance Benefits

The Francischartrain 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.

FOUNTAINHEAD LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity - Reserves and Designated Fund Balances

Reserves represent those portions of fund equity not appropriate for expenditure and are legally segregated for a specific future use. Designated fund balances are those portions of fund equity set aside by the board of levee 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 Fountainhead Levee District's portion of the cost of the Lake Pontchartrain Hurricane Protection Fund Project. The estimated total cost to the Fountainhead Levee District for the hurricane protection project over approximately 25 years is \$17,076,000.

M. 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 Certificates of Deposit

At June 30, 1998, the levee district has cash and Certificates of Deposit (bank balances) totaling \$4,125,471 as follows:

Petty Cash	\$ 25
Money market accounts	1,707,241
Cash with state treasury	218,817
	<u>2,924,083</u>
Certificates of Deposit	<u>1,201,388</u>
Total Deposits	<u>\$ 4,125,471</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or 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 collateral bank that is mutually acceptable to both parties. At June 30, 1998, inclusive of the \$218,817 on deposit with the state treasury, the levee district has \$3,142,899 in deposits (booked bank balances). These deposits are secured from state by \$786,000 of federal deposit insurance, \$2,456,815 of pledged securities held by the financial institution's agent in the name of the levee district (CLASS Category 2), and \$6,789,174 held by the financial institution's agent but not in the levee district's name (CLASS 0).

FINTECHAMTERRY LEVEE DISTRICT
NOTES TO FINANCIAL STATEMENTS

2. Cash and Certificates of Deposit (continued)

Cash and cash equivalents include amounts on deposit with the state treasury totaling \$379,817. Securities pledged for cash in the state treasury is not included in the previous computations as these amounts are secured by fiscal agent bonds established by the state treasury independent of the levee district (GASB Category 1).

3. Investments

At June 30, 1998, the investments of the levee district consisted of United States Treasury Bills. The securities are held by the bank's trust department in the name of the levee district (GASB Category 2).

Investment income at June 30, 1998 consists of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Interest Income	\$ 333,165	\$ 448,342	\$ 781,708
Change in Market Value	(232,961)	(14,138)	(247,099)
	<u>\$ 100,204</u>	<u>\$ 434,204</u>	<u>\$ 534,408</u>

4. Receivables

The following is a summary of receivables at June 30, 1998:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Advances from Intergovernmental receivable	\$ 21,795	\$ -	\$ 21,795
Use of money and property - license earnings	-	38,290	38,290
	<u>148,424</u>	<u>2,747</u>	<u>151,171</u>
Total	<u>\$ 170,219</u>	<u>\$ 38,987</u>	<u>\$ 209,206</u>

Any immaterial accounts not collected 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, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 765,982	\$ -	\$ -	\$ 765,982
Buildings	451,004	-	-	451,004
Equipment	1,981,683	312,760	(145,821)	1,668,622
Total	\$ 3,617,779	\$ 322,760	\$(145,821)	\$ 3,694,698

Capital outlay expenditures of \$200,058 within the Capital Project Fund, as disclosed on Statement B, consist of levee project costs (infrastructure) and are not capitalized.

6. Pension Plan

The Parochaltrain 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. That report may be obtained by writing to LASERS, 8481 United Plaza Blvd., Baton Rouge, LA 70809 or by calling (225) 922-0600.

Plan members are required to contribute 7.5% of their annual covered salary and Parochaltrain Levee District is required to contribute at an actuarially determined rate. The current rate is 13.8% of annual covered payroll. The contribution requirements of plan members are established by Louisiana Revised Statute 11:651. The contribution requirements of the Parochaltrain Levee District is established under Louisiana Revised Statute 11:181 - 11:184 annually by the Actuarial Pricing and Committee. The Levee District's contributions for the year ending June 30, 1998, 1997 and 1996 were \$97,643, \$84,695 and \$93,321, respectively, equal to the required contributions each year.

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, 1998, the cost of providing benefits for 27 retirees totaled \$88,651.

POUNCHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

8. Compensated Absences

At June 30, 1998, employees of the levee district have accumulated and vested \$111,977 of employee leave benefits, which was computed in accordance with GASB Codification Section 650. 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, 1998:

	Long-Term Obligations Payable at July 1, 1997	Additions	Deletions	Long-Term Obligations Payable at June 30, 1998
Compensated absences	\$ 187,001	\$ 4,956	\$ -	\$ 111,977

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 covered by insurance. Furthermore, the anticipated outcome of suits claiming compensation 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.

11. Intergovernmental Revenues

The following is a summary of intergovernmental revenues at June 30, 1998:

	General Fund	Capital Projects Fund	Total
State revenue sharing Department of Transportation and Development	\$ 304,000	\$ -	\$ 304,000
St. Charles Parish Council	-	420,350	420,350
St. John the Baptist Parish	-	56,150	56,150
Total	\$ 304,000	\$ 906,000	\$ 1,210,000

PONTCHARTRAIN LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

12. Construction Commitments

Lake Pontchartrain and Vicinity Hurricane Protection Project

The federal government has agreed to finance 70 percent of the cost of the Lake Pontchartrain and Vicinity Hurricane Protection Project, and the Pontchartrain 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 50 percent of the total project costs for the St. Charles portion of the Lake Pontchartrain and Vicinity Hurricane Protection Project.

The local and non-federal portion of the project is estimated to be \$27,076,800. The Pontchartrain Levee District has entered into an agreement with St. Charles Parish whereby the Pontchartrain Levee District will pay 50 percent of the non-federal portion of project costs, and St. Charles Parish will provide the remaining 50 percent.

St. Charles Parish's 50 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, \$400,358 was received from St. Charles Parish in 1988 for its portion of the non-federal portion of the project.

Section 3 of Act 45 of the 1984 Capital Outlay Appropriations provided that all of the funds appropriated for ports and levee districts shall be administered under cooperative endeavor agreements. On February 9, 1986, the Pontchartrain 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 Pontchartrain and Vicinity Hurricane Protection Project. From inception through June 30, 1988, the Pontchartrain Levee District's total accumulated expenditures for this project were \$12,836,788.

The total estimated remaining cost to be incurred by the Pontchartrain Levee District is \$15,048,212.

West Shore Feasibility Study

The Pontchartrain Levee District has entered into an agreement with the U.S. Corps of Engineers whereby the Corps will conduct a "Feasibility Phase Study" to assess the extent of Federal interest in participating in a solution to the problem of hurricane protection and flood control in St. John the Baptist Parish. The Water Resources Act of 1986 requires local non-federal funding of 30% of the study cost.

The local non-federal portion of the study is estimated to be \$1,374,800. The Pontchartrain Levee District has entered into an agreement with St. John the Baptist Parish whereby the Pontchartrain Levee District will pay 77.5% of the non-federal portion of the study cost, and St. John the Baptist Parish will provide the remaining 22.5%.

The Pontchartrain Levee District received \$56,258 from St. John the Baptist Parish for the year ended June 30, 1988. The estimated remaining amount to be received from St. John the Baptist Parish is \$235,180.

The estimated remaining cost to be incurred by the Pontchartrain Levee District is \$1,374,800.

INDEPENDENT LEVEE DISTRICT

NOTES TO FINANCIAL STATEMENTS

13. Levee District Taxes

Article 8, Section 39 of the 1974 Louisiana Constitution provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane 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 collected 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 3.82 mills.

14. Prior Period Adjustment

GASB 31 - Accounting and Financial Reporting for Certain Investments and for External Investment Pools has been applied to the June 30, 1998 financial statements. GASB 31 requires investments to be recorded at fair value. As a result of the application of this GASB statement, beginning fund balance has been restated to record investments at fair value as of June 30, 1997.

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund Balance at beginning of year as previously reported	\$ 40,969,266	\$ 4,816,130	\$ 45,785,396
Adjustment to record investments at fair value	<u>321,661</u>	<u>39,191</u>	<u>360,852</u>
Fund Balance as Restated	<u>\$ 41,290,927</u>	<u>\$ 4,855,321</u>	<u>\$ 46,146,248</u>

COMBINING STATEMENTS

SUPPLEMENTAL INFORMATION

FOUCHARDTRAIN LEVEE DISTRICT
Lafayette, Louisiana

CAPITAL PROJECTS FUNDS
JUNE 30, 1998

Capital Projects Funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Special Construction Fund - This fund is used to account for the District's expenditures associated with the Lake Fouchardtrain and Vicinity Hurricane Protection Project.

West Shore Feasibility Study Fund - This fund is used to account for the District's expenditures associated with the West Shore Feasibility Study.

PONTIAC TRAIN LEVEE DISTRICT

COMBINED BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS

JUNE 30, 1998

ASSETS	Special Construction Fund	West Shore Feasibility Study Fund	Total
Cash	\$ 541,419	\$ 1,087,529	\$ 1,550,348
Certificates of Deposit	3,023,347	-	3,023,347
Investments	7,520,910	-	7,520,910
Receivable, net	2,741	56,150	38,891
TOTAL ASSETS	\$ 11,088,468	\$ 1,064,179	\$ 12,152,647
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable	\$ 3,924	\$ -	\$ 3,924
Total liabilities	3,924	-	3,924
Fund balances			
Unreserved-unassigned	11,085,544	1,064,179	12,149,723
Total equity	11,085,544	1,064,179	12,149,723
TOTAL LIABILITIES AND FUND EQUITY	\$ 11,088,468	\$ 1,064,179	\$ 12,152,647

POSTCHARTER TRAIL LEVEL DISTRICT**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL CAPITAL PROJECTS FUNDS****JUNE 30, 1998**

	<u>Special Construction Fund</u>	<u>West Shore Feasibility Study Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental revenue	\$ 849,756	\$ 56,218	\$ 905,974
Investment income	438,435	1,829	440,264
Total revenue	<u>1,278,251</u>	<u>64,179</u>	<u>1,342,430</u>
EXPENDITURES			
Capital outlay	<u>238,028</u>	<u>-</u>	<u>238,028</u>
Total expenditures	<u>238,028</u>	<u>-</u>	<u>238,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,040,223</u>	<u>64,179</u>	<u>1,104,402</u>
OTHER FINANCING SOURCES			
Operating transfers in	<u>2,080,000</u>	<u>1,080,000</u>	<u>3,160,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>3,040,223</u>	<u>1,864,179</u>	<u>4,904,402</u>
FUND BALANCE			
BEGINNING OF YEAR, as restated	<u>8,029,321</u>	<u>-</u>	<u>8,029,321</u>
END OF YEAR	<u>\$ 11,089,544</u>	<u>\$ 1,864,179</u>	<u>\$ 12,953,723</u>

PONTCHARTRAIN LEVEE DISTRICT

Schedule 1

SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 1998

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 1997 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:208 and are included in the general administrative expenditures of the General Fund. Board members are paid \$75 per meeting for up to 16 meetings each year. The board president, Mr. Aubrey F. LaPlace, has elected to forgo receipts of payment for his services since the year ended June 30, 1998.

	Year Ended June 30, 1998
Arne Harbly	\$ 2,700
LaVern Brown	1,975
Timothy Kane	2,250
Joseph Gaudreau	2,700
Kenneth Goodie	675
David Labadie	2,700
Charles Thornton	2,700
Michael Reeves	<u>2,625</u>
Total	\$ 17,525

OTHER REPORTS REQUIRED

BY

CERTIFIED PUBLIC ACCOUNTANTS



Postlethwaite & Netterville

A Registered Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Levee Commissioners of
Ponchartraine Levee District
State of Louisiana
Lusher, Louisiana

We have audited the general purpose financial statements of Ponchartraine Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 30, 1998.

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, a component unit of the State of Louisiana, general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ponchartraine Levee District's, a component unit of the State of Louisiana, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as Item C-1.

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

general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Prothman & Kistner

Monroe, Louisiana
September 10, 1998

FOURCHARTRAINS LEVEE DISTRICT

Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 1968

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unqualified opinion of the financial statements of the Fourchartrains Levee District.
2. One reportable condition relating to the audit of the financial statements is reported at B-1 in this schedule. This condition is not a material weakness.
3. No instances of noncompliance material to the financial statements of the Fourchartrains Levee District were disclosed during the audit.

B. REPORTABLE CONDITION

1. Lack of Segregation of Duties

Condition: The performance of accounting procedures is limited to two people.

Criteria: Internal controls should be in place that provide reasonable assurance that financial transactions are properly recorded and accounted for. Segregation of duties is an integral part of internal controls.

Effect: There is insufficient segregation of duties to have effective internal control.

Recommendation: No action is recommended.

Response: We concur in the finding and recommendation. Compensating controls exist in that the Board reviews all invoices before they are paid and the majority of revenue is received directly by the State Treasury. Additionally, it would not be cost-effective to increase the size of the staff to achieve effective segregation of duties.