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

**ANNUAL FINANCIAL REPORT
Year Ended June 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-15-04

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	17
Notes to Financial Statements	
Note A - Summary of Significant Accounting Policies	19
Note B - Reconciliation of Government-wide and Fund Financial Statements ..	25
Note C - Stewardship, Compliance, and Accountability	26
Note D - Detailed Notes on All Activities and Funds	27
Note E - Contingencies	34
Note F - Joint Venture - Hurricane Protection Levee	35
Note G - Other Information	38

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Statements -Nonmajor Governmental Funds	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	45
Individual Fund Statements and Schedules	
General Fund	
Schedule of Revenues - Budget to Actual	48
Schedule of Expenditures - Budget to Actual	49
Special Revenue Fund	
Schedule of Expenditures	51
Capital Project Funds	
Schedule of Expenditures by Reach	
Westbank Hurricane Protection Levee	53
Lafitte Levee	55

SUPPLEMENTAL INFORMATION

Schedule of Commissioners' Per Diem	58
Schedule of State Funding	59
Schedule of Expenditures of Federal Funds	60
Division of Administration Reporting Package	62

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>	105
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	107
Schedule of Findings and Questioned Costs	109

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

I have audited the accompanying basic financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund 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, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States 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 I 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 basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the West Jefferson Levee District as of June 30, 2004 and the respective changes in financial position and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements.. The Combining and Individual Fund Statements and Schedules, and the Supplemental Information, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The schedule of expenditures of federal awards included in the Supplemental Information section is also presented for purposes of additional analysis 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 25, 2004, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Paul C. Rivers, CPA
August 25, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the West Jefferson Levee District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the West Jefferson Levee District for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with the financial statements. All amounts, unless otherwise noted, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$52,065 (*net assets*). Of this amount, \$4,807 (*unrestricted net assets*) or 9.2 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$4,372 or 9.2 percent during the current year. The majority of this increase is due to the \$3,919 received in capital grants (State Capital Outlay, Statewide Flood Control and Parish monies) for the Westbank Hurricane Protection Levee. This money was spent on the Westbank Hurricane Protection Levee, however, those costs were capitalized as construction in progress or infrastructure. Thus, the program revenue runs through the statement of activities, while the related expenses appear on the statement of net assets.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5,044, an increase of \$369 or 7.9 percent in comparison with the prior year. Approximately \$4,925 (or 97.6 percent) of this total amount is available for spending at the government's discretion (*unreserved fund balance*). There are, however, some board designations that limit the spending of some of these balances (see Note D.7).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,579, or 61.3 percent of total general fund expenditures.
- The District's total long-term debt decreased by \$179 or 26.5 percent during the current fiscal year. The key factors in this decrease were no new issuance of long-term debt and the payment of \$170 on the outstanding 1996 Excess Revenue Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the West Jefferson Levee District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The "government-wide financial statements" are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The "statement of net assets" presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The "statement of activities" presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expense are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The District only has governmental activities in the public works function. This function includes executive, administrative, and maintenance/construction activities.

The government-wide financial statements include only the financial activities of the West Jefferson Levee District, which is a component unit of the State of Louisiana. The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's 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.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are classified as “governmental funds”.

Governmental funds. “Governmental funds” are used to account for essentially the same functions reported as “governmental activities” in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for “governmental funds” with similar information presented for “governmental activities” in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between “governmental fund” and “governmental activities”.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund, the Emergency Special Revenue Fund, the West Bank Hurricane Levee Capital Project fund, and the Lafitte Levee Capital Project fund, all of which are considered to be “major” funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of “combining statements” elsewhere in this report.

The District adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 -17 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 39 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining statements for nonmajor funds can be found on pages 44 – 45 of this report. Individual fund statements and schedules, which show additional detailed financial information of some of the major funds, is found on pages 48 – 55. Supplemental information, including a Schedule of Commissioners' Per Diem, a Schedule of State Funding, a Schedule of Expenditures of Federal Funds, and the Division of Administration's Reporting Package are included on pages 58 - 103.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$52,065 at June 30, 2004.

By far the largest portion of the District's net assets (90.5 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The District used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

WEST JEFFERSON LEVEE DISTRICT'S NET ASSETS

	Governmental Activities				
	2004		2003		
Current and other assets	\$	5,288	\$	5,107	
Capital assets		47,519		43,696	
Total assets		<u>52,807</u>		<u>48,803</u>	
Long-term liabilities outstanding		498		678	
Other liabilities		244		432	
Total liabilities		<u>742</u>		<u>1,110</u>	
Net assets:					
Invested in capital assets, net of related debt		47,139	90.5%	43,146	90.5%
Restricted		119	0.2%	119	0.2%
Unrestricted		4,807	9.2%	4,428	9.3%
Total net assets	\$	<u>52,065</u>		<u>47,693</u>	

An additional portion of the District's net assets (0.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$4,807 or 9.2 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2004, the District is able to report positive fund balances in all three categories of net assets.

The District's net assets increased by \$4,372 during the current fiscal year. The majority of this increase is caused by the capital grant program revenue flowing through the statement of activities, while the related disbursements of these funds have been capitalized on the statement of net assets as construction in progress or infrastructure.

Governmental Activities. Governmental activities increased the District's net assets by \$4,372. Key elements of this increase are as follows:

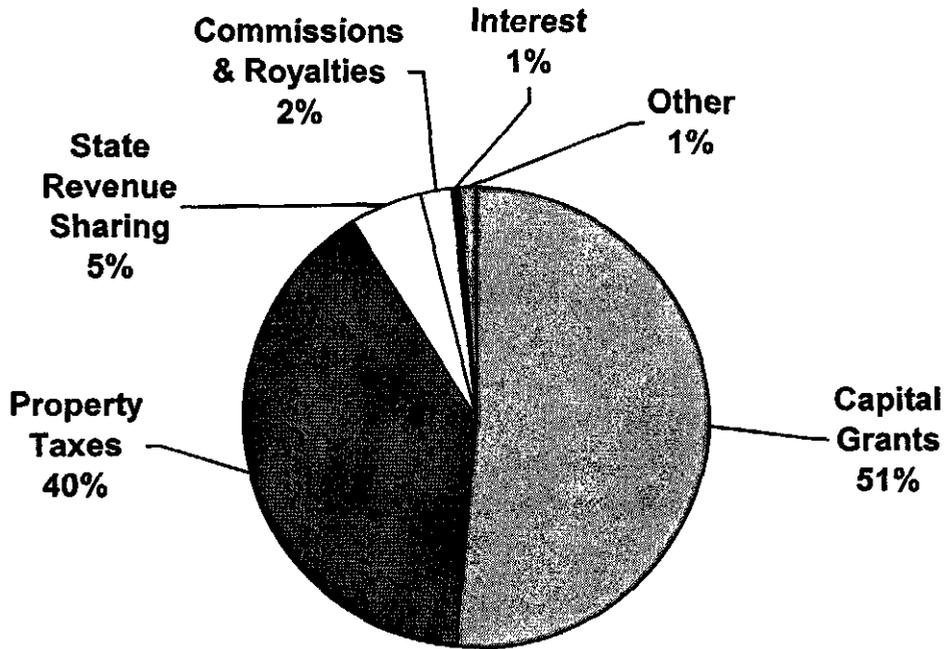
WEST JEFFERSON LEVEE DISTRICT'S CHANGES IN NET ASSETS

	Governmental Activities	
	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$ 1	\$ 1
Operating grants and contributions	-	248
Capital grants and contributions	3,919	1,752
General revenues:		
Property taxes	3,027	2,969
State revenue sharing	387	387
Commissions and royalties	157	65
Interest	55	225
Other	75	33
Total revenues	<u>7,621</u>	<u>5,680</u>
Expenses:		
Public works		
Executive	133	126
Administrative	441	443
Maintenance	1,911	1,762
Nondepartmental	345	386
Unallocated depreciation	393	424
Interest on long-term debt	26	33
Total expenses	<u>3,249</u>	<u>3,174</u>
Increase in net assets	4,372	2,506
Net assets - Beginning of year	47,693	45,187
Net assets - end of year	<u>\$ 52,065</u>	<u>\$ 47,693</u>

- Operating grants decreased by \$248. The prior year amount represented monies received from FEMA relating to costs incurred for Tropical Storm Isidore and Hurricane Lili in September and October 2002. Capital grants for governmental activities actually increased by \$2,167. The District received \$822 in State-wide Flood Control monies (\$822 more than in the prior year), \$1,620 from Jefferson Parish for waterline relocation cost reimbursements (\$1,620 more than prior year), \$1,454 in State Capital Outlay (\$299 less than prior year), and \$23 from the Corps of Engineers for another waterline project (\$23 more than the previous year).
- Property taxes increased by \$58 or 1.9 percent during the year. Most of this increase is due to the increases seen in the assessed values of property within the District's boundaries. The District's levy remained at 5.03 mills for 2004.
- Commissions increased \$92 due to additional oil & gas leases.
- Interest income was down substantially (\$170) due to the continuing decline in rates seen over the past years as well as lower available cash balances. Rates are now less than or equal to 1.0 percent.

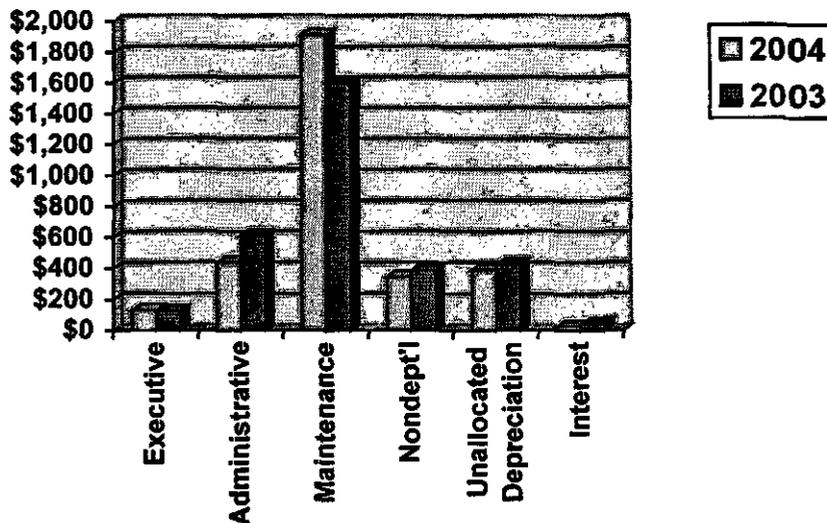
A breakdown of the revenues received by the District's governmental activities is as follows:

Revenues by Source - Governmental Activities



For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. The maintenance department continues to make up most of the expenses of the District (52.9 percent). Approximately \$229 of the increase is caused increases in salaries and benefits due to raises and increases by the State in retirement and health insurance rates.

West Jefferson Levee District - Expenses by Function/Segment



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's "governmental funds" is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2004, the District's governmental funds reported combined ending fund balances of \$5,044, an increase of \$369 or 7.9 percent in comparison with the prior year. Approximately 97.6 percent of this total amount (\$4,925) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$119).

The General fund is the chief operating fund of the District. At June 30, 2004, unreserved fund balance of the General fund was \$1,579 (which is 100 percent of the total fund balance). As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balance represents 61.3 percent of total general fund expenditures.

The fund balance of the District's General fund increased by \$512 during the current fiscal year. Key factors in this growth are as follows:

- Slightly higher assessed values resulted in an increase in property taxes of \$58 on a levy of 5.03 mills.
- Services charges (i.e., royalties) increased by \$92 due to additional leases.
- Interest income decreased by \$2 due to declining rates (rates are now at or below 1.0 percent).
- Miscellaneous revenues increased by \$46 due to nonrecurring revenues.

The Emergency Special Revenue fund has a total fund balance of \$991 at year-end, all of which is designated to be used only in emergencies. This fund incurred expenditures during the year of \$114 related to tropical storms during the 2003 hurricane season. Transfers in from the General Fund totaled \$400.

The Westbank Hurricane Levee Capital Project fund has a total fund balance of \$522, all of which is dedicated to the hurricane protection levee project. The fund balance of this fund decreased by \$(216) during the current fiscal year. The decrease is primarily due to ongoing construction on the levee project.

The Lafitte Levee Capital Project fund has a total fund balance of \$1,832. This money is to be used for additional planning work in the Lafitte area as well as for matching possible future federal grant money. This fund saw a current year net decrease to fund balance of \$218, primarily due to some of the projects getting underway.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a net increase in appropriations of \$241. These changes are summarized as follows:

- \$15 increase in administrative activities, primarily in health insurance (\$10) and retirement (\$12) due to increasing rates. This was offset by a decrease in building repairs.
- \$289 increase in the maintenance activities, primarily in salaries (\$120), health insurance (\$50), and retirement (\$30). This resulted from the State civil service division increasing the pay scales for these employees by 10 percent, as well as the State Pension and Group Benefits Divisions increasing the rates on the pension plan and group insurance plan.
- \$36 increase in insurance for vehicles due to increasing rates.

- \$69 decrease in nondepartmental activities, primarily in the cost of insurance premiums.

Of this increase, \$100 was funded by an increase in the property tax appropriation, \$89 came from increases in oil and gas royalties (commissions), and \$30 came from nonrecurring revenues seen in miscellaneous revenues. This was offset by a \$5 decrease in interest income. Revenues and other sources came in 4.0 percent over the final budget and expenditures and other uses were 14.1 percent under the final budget. The main overage in the revenues came in property taxes (\$123), due to increases in assessments. The largest under budget items were the maintenance department (\$54) and capital outlay (\$203). The maintenance department was under budget in salaries and benefits (\$23), insurance – vehicles (\$19), and levee supplies (\$7).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2004 amounts to \$47,139 (net of accumulated depreciation and outstanding debt). This investment in capital assets includes land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure (i.e., levees, floodwalls, floodgates, etc.). The District's investment in capital assets increased by \$3,993 or 9.3 percent this year.

Major capital asset events during the current fiscal year included the following:

- \$108 was spent on new tractors and mowers.
- Construction in progress related to the Westbank Hurricane Protection Levee reached \$21,284 as the East of Harvey projects get underway way. Also, certain lifts on the West of Harvey side were completed. Construction in progress on the Lafitte area levees totaled \$2,843.
- Total capitalized infrastructure (levees) was \$18,804 at June 30, 2004. In addition, capitalized land has reached \$6,545.

WEST JEFFERSON LEVEE DISTRICT'S CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities	
	<u>2004</u>	<u>2003</u>
Land	\$ 6,545	\$ 6,310
Buildings	604	679
Furniture and fixtures	11	17
Machinery, vehicles and equipment	634	720
Infrastructure	15,598	15,783
Construction in progress	24,127	20,187
Total	<u><u>\$ 47,519</u></u>	<u><u>\$ 43,696</u></u>

Additional information on the District's capital assets can be found in Note D.3 on pages 29 and 30.

Long-term Debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$380. This amount is made up of excess revenue bonds issued in 1997. These certificates are secured by, and payable from, a pledge of the annual revenues of the District, sufficient to pay principal and interest through April 1, 2006.

**WEST JEFFERSON LEVEE DISTRICT'S OUTSTANDING LONG-TERM DEBT
GENERAL OBLIGATION AND REVENUE BONDS**

	Governmental Activities	
	2004	2003
1996 Excess Revenue Bonds	\$ 380	\$ 550
Total	\$ 380	\$ 550

The District's total long-term debt decreased by \$180 or 26.5 percent during the current fiscal year. The key factor in this decrease was the payments (\$170) on the 1996 bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limit for the District is \$60,087. The District has no general obligation debt subject to this limitation.

Additional information on the District's long-term debt can be found in Note D.5 on pages 31 and 32 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the Parish of Jefferson is currently 6.3 percent, which is an increase from a rate of 5.8 a year ago. While an increase was noted, it still compares favorably to the state averages.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2004 tax roll was 5.03 mills. This is the same as the prior year. Assessed values are expected to increase in 2004/05 due to the 2004 tax roll being a "reassessment" year. The increase will be reflected when the Assessor makes the figures available later this year.

All of these factors were considered in preparing the District's budget for the 2004-2005 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board President, West Jefferson Levee District, 7001 River Road, Marrero, LA 70072.

BASIC FINANCIAL STATEMENTS

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**STATEMENT OF NET ASSETS
JUNE 30, 2004**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 4,756,818
Investments	-
Receivables (net of allowance for uncollectibles)	531,573
Capital assets (net of accumulated depreciation)	
Land	6,545,336
Buildings	603,840
Furniture and fixtures	11,625
Machinery, vehicles and equipment	633,567
Infrastructure	15,597,667
Construction in progress	24,126,795
TOTAL ASSETS	<u>52,807,221</u>
LIABILITIES	
Accounts payable and other current liabilities	210,835
Accrued payroll and deductions	33,639
Revenue/grant anticipation notes payable	-
Noncurrent liabilities:	
Due within one year	303,240
Due in more than one year	195,000
TOTAL LIABILITIES	<u>742,714</u>
NET ASSETS	
Invested in capital assets, net of related debt	47,138,830
Restricted for:	
Debt service	119,064
Other	-
Unrestricted	4,806,613
TOTAL NET ASSETS	<u>\$ 52,064,507</u>

The accompanying notes are an integral part of this statement.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2004

	GENERAL	EMERGENCY FUND	WESTBANK HURRICANE PROTECTION LEVEE	LAFITTE LEVEE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	\$ 1,455,771	\$ 755,106	\$ 396,963	\$ 2,021,667	\$ 127,311	\$ 4,756,818
Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	27,250	504,323	-	-	531,573
Due from other funds	571,138	208,496	189,442	-	-	969,076
TOTAL ASSETS	\$ 2,026,909	\$ 990,852	\$ 1,090,728	\$ 2,021,667	\$ 127,311	\$ 6,257,467
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 205,835	\$ -	\$ -	\$ -	\$ 5,000	\$ 210,835
Accrued payroll and deductions	33,639	-	-	-	-	33,639
Due to other funds	208,496	-	568,323	189,431	2,826	969,076
Revenue/grant anticipation notes payable	-	-	-	-	-	-
TOTAL LIABILITIES	447,970	-	568,323	189,431	7,826	1,213,550
Fund Balances Reserved for:						
Debt service	-	-	-	-	119,064	119,064
Unreserved, reported in:						
General Fund	1,578,939	-	-	-	-	1,578,939
Special Revenue Funds	-	990,852	-	-	-	990,852
Capital Project Funds	-	-	522,405	1,832,236	421	2,355,062
TOTAL FUND BALANCES	1,578,939	990,852	522,405	1,832,236	119,485	5,043,917
TOTAL LIABILITIES AND FUND BALANCES	2,026,909	990,852	1,090,728	2,021,667	127,311	\$ 52,064,507

Amounts reported for governmental activities in the statement of net assets are different because:
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net Assets of Governmental Activities

The accompanying notes are an integral part of this statement.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL	EMERGENCY FUND	WESTBANK HURRICANE PROTECTION LEVEE	LAFITTE LEVEE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes						
Property taxes	3,027,371	-	-	-	-	3,027,371
Intergovernmental						
Federal	-	-	-	23,901	-	23,901
State	387,258	-	2,275,088	-	-	2,662,346
Parish/Local	-	-	1,619,743	-	-	1,619,743
Service charges, fees, and commissions	158,119	-	-	-	-	158,119
Fines and forfeitures	-	-	-	-	-	-
Interest	18,046	4,899	17,510	13,119	1,390	54,964
Miscellaneous	51,837	-	-	-	-	51,837
TOTAL REVENUES	3,642,631	4,899	3,912,341	37,020	1,390	7,598,281
EXPENDITURES						
Current						
Public Works						
Executive	133,349	-	-	-	-	133,349
Administrative	416,448	-	-	-	-	416,448
Maintenance	1,569,712	114,147	-	-	-	1,683,859
Non-departmental	344,001	-	-	-	1,320	345,321
Debt Service						
Principal	-	-	-	-	170,000	170,000
Interest	-	-	-	-	25,875	25,875
Capital outlay						
Property, plant and equipment	111,132	-	-	-	-	111,132
Levee construction projects	-	-	4,128,214	254,655	-	4,382,869
TOTAL EXPENDITURES	2,574,642	114,147	4,128,214	254,655	197,195	7,268,553
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,067,989	(109,248)	(215,873)	(217,635)	(195,805)	329,428
OTHER FINANCING SOURCES (USES)						
Transfers in	-	400,000	-	-	195,870	595,870
Transfers out	(595,870)	-	-	-	-	(595,870)
Sale of capital assets	39,610	-	-	-	-	39,610
TOTAL OTHER FINANCING SOURCES (USES)	(556,260)	400,000	-	-	195,870	39,610
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	511,729	290,752	(215,873)	(217,635)	65	369,038
FUND BALANCE						
Beginning of year	1,067,210	700,100	738,278	2,049,871	119,420	4,674,879
End of year	1,578,939	990,852	522,405	1,832,236	119,485	5,043,917

The accompanying notes are an integral part of this statement.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

Amounts reported for governmental activities in the Statement of Activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 15) \$ 369,038

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 3,839,772

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. (16,815)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 179,602

Change in net assets of governmental activities (page 13) \$ 4,371,597

The accompanying notes are an integral part of this statement.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property taxes	\$ 2,804,000	\$ 2,904,000	\$ 3,027,371	\$ 123,371
Intergovernmental				
State	360,000	387,000	387,258	258
Service charges, fees, and commissions	60,000	149,000	158,119	9,119
Fines and forfeitures	-	-	-	-
Interest	27,000	22,000	18,046	(3,954)
Miscellaneous	10,000	40,000	51,837	11,837
TOTAL REVENUES	3,261,000	3,502,000	3,642,631	140,631
EXPENDITURES				
Current				
Public Works				
Executive	162,750	169,000	133,349	35,651
Administrative	436,900	451,700	416,448	35,252
Maintenance	1,334,941	1,624,050	1,569,712	54,338
Non-departmental	416,050	347,050	344,001	3,049
Capital outlay				
Property, plant and equipment	314,000	314,000	111,132	202,868
Levee construction projects	-	-	-	-
TOTAL EXPENDITURES	2,664,641	2,905,800	2,574,642	331,158
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	596,359	596,200	1,067,989	471,789
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(595,870)	(595,870)	(595,870)	-
Sale of capital assets	-	39,000	39,610	610
TOTAL OTHER FINANCING SOURCES (USES)	(595,870)	(556,870)	(556,260)	610
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	489	39,330	511,729	472,399
FUND BALANCE				
Beginning of year	1,067,210	1,067,210	1,067,210	-
End of year	\$ 1,067,699	\$ 1,106,540	\$ 1,578,939	\$ 472,399

The accompanying notes are an integral part of this statement.

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**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2004**

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 described 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 dependency may also play a part 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 on 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 District.

Annually, the State of Louisiana (the primary government) issues financial statements which include the activity contained in the accompanying financial statements. The State's 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.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Because of the nature of the District's operations, the District reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for the governmental funds of the District. Funds are used by the District 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. 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 financial activities of the general government not accounted for in some other fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

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

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

The *Westbank Hurricane Protection Levee Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and structures related to the westbank hurricane levee.

The *Lafitte Levee Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and structures in the area of the Town of Jean Lafitte.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. *Property taxes are recognized as revenues in the year for which they are levied*. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and 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. Property taxes, intergovernmental revenues, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, only when payment is due.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents 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.

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. In accordance with GASB Statement No. 31, investments, if any, are generally stated at fair value. If the investment is in money market securities and has a maturity date of less than 90 days from the balance sheet date, the investment is stated at cost or amortized cost.

B. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". As a general rule, all interfund balances are eliminated in the government-wide financial statements.

C. *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 materials and supplies at June 30, 2004 would not be material to the financial statements.

D. *Prepaid Insurance*

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as expenditures when paid. It is management's opinion that the prepaid amount at June 30, 2004, if any, would not be material to the financial statements.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., levees, floodwalls, sector gates and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress. The levees are divided into reaches and are capitalized as such. Any major "lifts" or improvements to an existing levee/reach is capitalized as an addition to that levee/reach.

Property, plant, equipment, and infrastructure is depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

Asset Category	Useful Life in Years
Buildings	40
Furniture and fixtures	5
Autos and trucks	5
Mowers	5
Tractors	7 - 10
Heavy equipment	5
Radios	3
Infrastructure (levees, floodwalls, floodgates, etc.)	50

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service to the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with GASB Statement No. 16, an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are recognized as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of principal and interest are recorded as expenditures only when due.

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designated fund balances represent tentative plans for future use of financial resources that are subject to change..

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(498,240) difference are as follows:

Revenue Bonds Payable	\$ (380,000)
Compensated absences	(118,240)
	(118,240)
Net adjustment to reduce <i>fund-balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ (498,240)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$3,839,772 difference are as follows:

Capital outlay	\$ 4,494,000
Depreciation expense	(654,228)
	(654,228)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ 3,839,772

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004**

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this \$(16,815) difference are as follows:

In the statement of activities, only the *gain (loss)* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold

\$ (16,815)

Net adjustment to increase (decrease) *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*

\$ (16,815)

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

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 bonds/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

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.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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 of Commissioners 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.

The original budget was adopted on March 20, 2003. The amended budget was adopted on June 17, 2004. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying statements.

2. Expenditures in Excess of Appropriations

For the year ended June 30, 2004, expenditures were within budget at all object levels within the General Fund.

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits and Investments

The carrying amount of the District's deposits at June 30, 2004 was \$4,756,818 and the bank balance was \$5,502,392. 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. The bank balance is categorized as follows:

Risk Category	Cash	Certificates of Deposit	Total Amount
a. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$ 5,502,392	\$ 0	\$ 5,502,392
b. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name	0	0	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	0	0
Total	<u>\$ 5,502,392</u>	<u>\$ 0</u>	<u>\$ 5,502,392</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Although the District shows no investments at June 30, 2004, it did invest in various U.S. Government securities during the year. No losses were incurred on the investments as all were held to maturity.

In addition, the District has two escrow accounts related to the Westbank Hurricane Protection Levee Project. In the first, the District has \$1,360,729 on deposit with the U.S. Army Corps of Engineers (COE). The second account has \$66,394 which was contributed by the Parish of Jefferson for construction of the Mount Kennedy Pump Station. 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 F).

2. Receivables

Receivables at year end for the government's individual major funds and nonmajor funds, in the aggregate, total \$531,573. This amount includes \$192,173 due from the State of Louisiana in connection with the 2004 State Capital Outlay appropriation and \$312,150 due from the Parish of Jefferson in connection with the Harvey Canal Sector Gate Project. These amounts, totaling \$504,323, are shown as a receivable in the Westbank Hurricane Protection Levee Capital Project Fund (see Note F.2).

Also included in accrued receivables is \$27,250 due from FEMA for costs incurred during last year's hurricanes. This amount represents emergency costs that were originally denied by FEMA but have been appealed. It is the District's opinion that the amount is collectible and is therefore recorded.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

3. Capital Assets

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

	Balance July 1, 2003	Additions	Deletions	Transfers	Balance June 30, 2004
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 6,310,442	\$ 234,894	\$ 0	\$ 0	\$ 6,545,336
Construction in progress	20,187,236	3,939,559	0	0	24,126,795
Total capital assets, not being depreciated	\$ 26,497,678	\$ 4,174,453	\$ 0	\$ 0	\$ 30,672,131
Capital assets, being depreciated					
Buildings	\$ 1,862,686	\$ 0	\$ 0	\$ 0	\$ 1,862,686
Furniture and fixtures	92,057	3,179	(15,224)	0	80,012
Machinery, vehicles, and equipment	1,517,822	107,952	(148,094)	0	1,477,680
Infrastructure	18,595,981	208,416	0	0	18,804,397
Total capital assets, being depreciated	22,068,546	319,547	(163,318)	0	22,224,775
Less accumulated depreciation for:					
Buildings	1,184,339	74,507	0	0	1,258,846
Furniture and fixtures	75,001	7,979	(14,593)	0	68,387
Machinery, vehicles, and equipment	797,610	178,413	(131,910)	0	844,113
Infrastructure	2,813,401	393,329	0	0	3,206,730
Total accumulated depreciation	4,870,351	654,228	(146,503)	0	5,378,076
Total capital assets being depreciated, net	\$ 17,198,195	\$ (334,681)	\$ (16,815)	\$ 0	\$ 16,846,699
Total governmental activities capital assets, net	\$ 43,695,873	\$ 3,839,772	\$ (16,815)	\$ 0	\$ 47,518,830

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Depreciation expense was charged to the functions/segments of the District as follows:

Governmental activities:

Public works

Executive	\$	0
Administrative		227,082
Maintenance		33,817
Unallocated depreciation (depreciation on the levee systems are not allocable to the District's segments)		393,329
		393,329
Total depreciation expense - governmental activities	\$	654,228

At year end, the District had \$24,126,795 in construction in progress. \$21,284,065 of this amount relates to the Westbank Hurricane Protection Levee Project - East of Harvey Canal and West of Harvey Canal segments (See Note F for additional details) and \$2,842,730 relates to the Lafitte Levee system.

4. Revenue/Grant Anticipation Notes Payable

As described in Note F.2, during FY 02/03, the District obtained another Priority 5 line of credit from the State through its State Capital Outlay Program; this one in the amount of \$4,000,000. In order to expedite the construction of the levee these funds are dedicated to, a grant anticipation note agreement was entered into with a local bank on February 20, 2003. The Capital Outlay money is pledged and dedicated to paying off these notes. The notes, together with accrued interest at the rate of 2.75% per annum, are due and payable on the earlier of (1) the actual receipt of funds from the State under the Capital Outlay Program or (2) March 1, 2004. In total, the District only drew down \$10,838 under this agreement. The amount was paid back on March 1, 2004, along with interest of \$310.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

5. Long-term Debt

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 from, a pledge of the annual revenues of the District, sufficient to pay principal and interest, through April 1, 2006. At June 30, 2004, \$119,064 was available in the Debt Service Sinking Fund to service the debt. Bonds outstanding at June 30, 2004 totaled \$380,000, with interest rates ranging from 4.7 to 4.8 percent. Annual debt service requirements to maturity, including interest of \$27,415, are as follows:

Year Ending June 30,	Principal	Interest	Total
2005	185,000	18,055	203,055
2006	195,000	9,360	204,360
Total	<u>\$ 380,000</u>	<u>\$ 27,415</u>	<u>\$ 407,415</u>

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 service 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.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

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, 2004:

Type of Debt	Balance July 1, 2003	Additions (Reductions)	Balance June 30, 2004	Due Within One Year
1996 Excess Revenue Bonds	\$ 550,000	\$ (170,000)	\$ 380,000	\$ 185,000
Compensated Absences	127,842	(9,802)	118,040	118,240
Total	\$ 677,842	\$ (179,802)	\$ 498,040	\$ 303,240

The government-wide statement of net assets includes \$303,240 as payable within one year. The remaining \$195,000 is displayed as "noncurrent liabilities, due in more than one year".

6. Interfund Transactions

Interfund Receivables/Payables

Fund	Due To/From	Due From	Due To
General Fund	Sinking Fund Debt Service	\$ 2,815	\$ 0
	Emergency Fund Special Revenue	0	208,496
	Westbank Hurricane Protection Levee Capital Project Fund	568,323	0
		<u>\$ 571,138</u>	<u>\$ 208,496</u>
Sinking Fund Debt Service	General Fund	<u>\$ 0</u>	<u>\$ 2,815</u>
Emergency Special Revenue Fund	General Fund	<u>\$ 208,496</u>	<u>\$ 0</u>
Capital Projects			
Westbank Hurricane Protection	General Fund	\$ 0	\$ 568,323
	Mississippi River Levee Capital Project	11	0
	Lafitte Levee Capital Project	189,431	0
		<u>189,442</u>	<u>568,323</u>
Mississippi River Levee	Westbank Hurricane Protection	0	11
Lafitte Levee	Westbank Hurricane Protection	0	189,431
Total Capital Projects		<u>\$ 189,442</u>	<u>\$ 757,765</u>
TOTAL ALL FUNDS		<u>\$ 969,076</u>	<u>\$ 969,076</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Interfund Transfers

Fund Transferred From	Fund Transferred To	Amount
General Fund	Bond Sinking Debt Service Fund	\$ 195,870
	Emergency Fund Special Revenue	400,000
Total		<u>\$ 595,870</u>

7. Reservations and Designations of Fund Balances

The nature and purpose of the reserves of fund balances (or restricted net assets) shown on the government-wide and fund financial statements are as follows:

Reserved for Debt Service

This \$119,064 reserve of the Debt Service Fund fund balance represents the amounts reserved for payment of principal and interest maturing in future years.

While designations are not shown on the face of the fund financial statements, several designation of fund balances do exist at June 30, 2004. They are as follows:

Designated for Emergencies

The District 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. For 03/04, \$400,000 was transferred to the Emergency Fund. At year end, \$990,852 is designated for this purpose out of the Special Revenue Funds fund balance.

Designated for Future Capital Outlay

This \$202,868 designation of the General Fund fund balance represents the amount of surplus funds generated by the capital outlay accounts coming in under budget. Per the Board's policy, these funds are designated for future capital outlays.

Designated for Matching Statewide Flood Control

This \$522,405 designation of the Westbank Hurricane Protection Levee Capital Project Fund fund balance represents the amount of funds available to match state appropriations under the Statewide Flood Control - Westbank Hurricane Protection Levee Project. See Note F.2.

Designated for Matching Federal Funds on Lafitte Levee

This \$1,832,236 designation of the Lafitte Levee Capital Project Fund fund balance represents the amount of funds available to match future federal grants for construction of the Lafitte Levee.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

8. Ad Valorem Taxes

Article 6, § 39 of the 1974 Louisiana Constitution provides that for the purposes of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the District may levy annually, a tax not to exceed five mills. If the 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 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.

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 the 2003 and 2002 tax rolls were 5.03 and 5.03, respectively.

NOTE E - 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 against these risks of loss, the District purchases various types of insurance from commercial carriers.

Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 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 \$1,000,000/\$1,000,000/\$1,000,000. In each policy, the District is responsible for the applicable deductible.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE E - CONTINGENCIES (CONTINUED)

2. Contingent Liabilities

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 fund. 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.

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 does not believe that they will materially affect the District's financial statements.

NOTE F - JOINT VENTURE - HURRICANE PROTECTION LEVEE

1. Description of Project

Pursuant to a local cooperative agreement dated December 18, 1980, the District and the U.S. Army Corps of Engineers (COE) began constructing a hurricane protection levee system within the District's boundaries under a "cost-sharing" agreement. 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 (i.e., fertilizing and cutting the grass, monitoring crossings, minor repairs, etc.).

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

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

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 as "executive agent" for DOTD for purposes of administering the project. This arrangement was finalized in Amendment No. 1 to the Local Cooperative Agreement on April 26, 2000.

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 \$314.0 million. Of this, \$204.0 is federal and \$110.0 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 interest" allowed by the COE for interim and compatible expenditures incurred by the District.

2. Funding of the Project

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 the District's direct expenditures are submitted as "credits" to the COE to be applied against the non-federal share.

During the fiscal year ended June 30, 2004, the COE was scheduled to provide \$21,530,000 towards the project and the District expended \$4,128,214 in direct costs, bringing the Federal share to date to \$103,554,000 and the local share (excluding creditable indirect costs) to \$46,129,104. As of June 30, 2004, the cost to complete the project is estimated to be approximately \$154.5 million (\$100.4 million federal and \$54.1 million non-federal).

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

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

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, \$10,749,404 has been expended, leaving an available balance of \$641,626. This balance will result in a required future match of \$592,735. 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). The following amounts have been received or accrued under these programs:

Year Awarded	Amount Awarded	Amount Expended in Prior Years	Amount Expended in Current Year	Balance
95/96	\$ 200,000	\$ (200,000)	\$ 0	\$ 0
96/97	500,000	(500,000)	0	0
98/99	1,000,000	(1,000,000)	0	0
98/99	600,000	(600,000)	0	0
98/99	5,400,000	(5,399,931)	0	69
99/00	5,000,000	(5,000,000)	0	0
01/02	2,450,000	(902,179)	(1,453,406)	94,415
02/03	4,000,000	0	0	4,000,000
	<u>\$ 19,150,000</u>	<u>\$ (13,602,110)</u>	<u>\$ (1,453,406)</u>	<u>\$ 4,094,484</u>

Of this amount, \$192,173 has been accrued as receivable from the State at June 30, 2004.

The District has also entered into a cooperative endeavor agreement with the Parish of Jefferson in connection with the relocation of a waterline interfering with the construction of a Sector Gate Complex on the Harvey Canal. The Parish must, at its own cost, relocate the waterline. The District has incurred and has billed costs of \$1,619,743 to the Parish. Of this amount, \$312,150 is still receivable at June 30, 2004.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

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

3. Status of the Project

As of June 30, 2004, all of the major reaches of the Westwego to Harvey Canal phase have been completed and are capitalized into fixed assets as infrastructure. Some reaches are entering a "lift" phase, which will be accounted for as an addition to that particular reach upon completion. The East of Harvey and Lake Cataouatche sections are in the design phases and/or starting construction and are recorded as construction in progress. The entire project is expected to be completed by 2014.

NOTE G - OTHER INFORMATION

1. Pension Plan

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.

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.

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 15.8 percent 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.

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE G - OTHER INFORMATION (CONTINUED)

The contributions for the year ended June 30, 2004 were as follows:

	<i>Amount</i>	<i>Percent of Covered Payroll</i>
Employee	\$ 67,997	7.50%
Employer	\$ 143,247	15.80%

The District's contributions for the previous two fiscal years were \$112,766 and \$96,636, which equaled the required contributions for each year.

2. Deferred Compensation

The District offers its employees a deferred compensation plan (the "plan") created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The District matches any contributions into the plan on a one-for-one basis up to \$35. During the year, the District expended \$17,360 as a match on deferred compensation.

The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Investments are managed by the Plan's trustee (Great Western). The choice of the investment option(s) are made by the Plan participants.

In 1996, the U.S. Congress passed the Small Business Job Protection Act of 1996, which requires that employer governments place all amounts deferred under IRC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. Thus, the District does not have ownership of the plan assets and does not report them in the District's financial statements.

3. 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 agency 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 \$221,844 for the year ended June 30, 2004. The cost of providing those benefits for 12 retirees is not separable from the cost of providing benefits for the 42 active employees.

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COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES

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**COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Sinking fund - This fund is used to account for servicing the debt related to the 1996 Excess Revenue Bonds.

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.

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.

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004**

	<u>DEBT SERVICE FUND SINKING FUND</u>	<u>CAPITAL PROJECT FUND MISSISSIPPI RIVER LEVEE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ 121,879	\$ 5,432	\$ 127,311
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 121,879</u>	<u>\$ 5,432</u>	<u>\$ 127,311</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 5,000	\$ 5,000
Due to other funds	2,815	11	2,826
TOTAL LIABILITIES	<u>2,815</u>	<u>5,011</u>	<u>7,826</u>
Fund Balances			
Reserved for:			
Debt service	119,064	-	119,064
Unreserved, reported in:			
Capital Project Funds	-	421	421
TOTAL FUND BALANCES	<u>119,064</u>	<u>421</u>	<u>119,485</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 121,879</u>	<u>\$ 5,432</u>	<u>\$ 127,311</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>DEBT SERVICE FUND SINKING FUND</u>	<u>CAPITAL PROJECT FUND MISSISSIPPI RIVER LEVEE</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
REVENUES			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Service charges, fees, and commissions	-	-	-
Fines and forfeitures	-	-	-
Interest	1,358	32	1,390
Miscellaneous	-	-	-
TOTAL REVENUES	<u>1,358</u>	<u>32</u>	<u>1,390</u>
EXPENDITURES			
Current			
Public Works			
Executive	-	-	-
Administrative	-	-	-
Maintenance	-	-	-
Non-departmental	1,320	-	1,320
Debt Service			
Principal	170,000	-	170,000
Interest	25,875	-	25,875
Capital outlay			
Property, plant and equipment	-	-	-
Levee construction projects	-	-	-
TOTAL EXPENDITURES	<u>197,195</u>	<u>-</u>	<u>197,195</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(195,837)</u>	<u>32</u>	<u>(195,805)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	195,870	-	195,870
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>195,870</u>	<u>-</u>	<u>195,870</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	33	32	65
FUND BALANCE			
Beginning of year	119,031	389	119,420
End of year	<u>119,064</u>	<u>421</u>	<u>119,485</u>

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUDGETED AMOUNTS</u>		<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes				
Property Taxes	\$ 2,804,000	\$ 2,904,000	\$ 3,027,371	\$ 123,371
Intergovernmental				
State Revenue Sharing	360,000	387,000	387,258	258
Service charges, fees and commissions				
Oil & gas royalties	60,000	149,000	157,444	8,444
Permit fees	-	-	675	675
	<u>60,000</u>	<u>149,000</u>	<u>158,119</u>	<u>9,119</u>
Fines and forfeitures				
Interest				
Interest - cash accounts	7,000	7,000	-	(7,000)
Interest - investments	20,000	15,000	18,046	3,046
	<u>27,000</u>	<u>22,000</u>	<u>18,046</u>	<u>(3,954)</u>
Miscellaneous	<u>10,000</u>	<u>40,000</u>	<u>51,837</u>	<u>11,837</u>
TOTAL REVENUES	\$ <u>3,261,000</u>	\$ <u>3,502,000</u>	\$ <u>3,642,631</u>	\$ <u>140,631</u>

WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

EXPENDITURES	BUDGETED AMOUNTS		BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
CURRENT				
PUBLIC WORKS				
EXECUTIVE				
Commissioners				
Per diem	\$ 24,000	\$ 24,000	\$ 21,075	\$ 2,925
Life insurance	4,500	4,500	258	4,242
Travel	25,000	25,000	3,954	21,046
Convention/workshops	4,500	12,000	9,618	2,382
Salries - president	12,000	12,000	12,000	-
Official journal	2,500	2,500	1,508	992
Dues and subscriptions	7,000	13,000	12,191	809
Miscellaneous	-	-	-	-
Professional services				
Legal	45,000	37,000	27,481	9,519
Accounting and auditing	8,250	6,500	6,600	(100)
Computer	30,000	30,000	34,440	(4,440)
Other	-	2,500	4,224	(1,724)
Total Executive	162,750	169,000	133,349	35,651
ADMINISTRATIVE				
Salaries	241,500	241,500	235,371	6,129
Health insurance	37,000	47,000	48,812	(1,812)
Retirement	28,000	40,000	35,812	4,188
Deferred compensation match	9,000	9,000	8,254	746
Payroll taxes	3,000	6,000	10,952	(4,952)
Worker's compensation	5,000	5,000	(894)	5,894
Unemployment insurance	-	-	418	(418)
Uniforms	-	-	619	(619)
Civil service fees	6,500	6,500	2,813	3,687
Employee physicals and testing	-	1,300	1,934	(634)
Travel	5,000	5,000	2,236	2,764
Convention/workshops	4,700	4,700	2,075	2,625
Printing	3,000	3,000	-	3,000
Postage	5,000	5,000	2,359	2,641
Office supplies	15,000	15,000	12,047	2,953
Janitorial supplies	2,000	2,000	161	1,839
Bank charges	-	1,500	1,182	318
Repairs and maintenance				
Buildings	25,000	12,000	11,942	58
Equipment	11,000	11,000	8,198	2,802
Telephone	28,000	28,000	20,870	7,130
Internet	-	-	3,168	(3,168)
Property and equipment rental	3,200	3,200	3,709	(509)
Gas and oil	5,000	5,000	4,410	590
Total Administrative	436,900	451,700	416,448	35,252
MAINTENANCE				
Salaries	612,381	732,000	748,007	(16,007)
Health insurance	140,000	190,000	173,032	16,968
Retirement	85,000	115,000	107,436	7,564
Deferred compensation match	15,000	15,000	9,106	5,894
Payroll taxes	3,010	7,000	2,811	4,189
Worker's compensation	35,000	40,000	35,186	4,814
Unemployment insurance	-	-	848	(848)
Uniforms	4,500	4,500	7,477	(2,977)
Employee physicals and testing	5,000	5,000	3,425	1,575
Travel	750	750	-	750
Repairs and maintenance				
Buildings	40,000	40,000	39,047	953
Equipment	-	-	-	-
Insurance - vehicles	50,000	86,000	67,108	18,892
Utilities	38,200	44,200	44,598	(398)
Telephone	3,000	3,000	1,976	1,024

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**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUDGETED AMOUNTS</u>		<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Property and equipment rental	15,000	55,000	58,477	(3,477)
Parts and supplies	67,000	82,000	77,055	4,945
Outside repairs	85,000	85,000	85,853	(853)
Small tools and equipment	2,500	4,500	3,877	623
Gas and oil	33,000	38,000	35,636	2,364
Vehicle supplies	1,400	1,400	878	522
Tires	10,700	12,700	11,790	910
Levee supplies	80,000	50,000	42,609	7,391
General supplies	8,500	13,000	13,480	(480)
Total Maintenance	<u>1,334,941</u>	<u>1,624,050</u>	<u>1,569,712</u>	<u>54,338</u>
NON-DEPARTMENTAL				
Insurance premiums	287,050	218,050	207,227	10,823
Claims and judgments	-	-	-	-
Ad valorem tax withholdings and commissions				
Assessor	-	-	35,944	(35,944)
Sheriff	4,000	4,000	3,387	613
State retirement systems	125,000	125,000	97,443	27,557
Total Non-Departmental	<u>416,050</u>	<u>347,050</u>	<u>344,001</u>	<u>3,049</u>
DEBT SERVICE				
Principal	-	-	-	-
Interest	-	-	-	-
CAPITAL OUTLAY				
Property, plant and equipment	314,000	314,000	111,132	202,868
Levee construction projects	-	-	-	-
	<u>314,000</u>	<u>314,000</u>	<u>111,132</u>	<u>202,868</u>
TOTAL EXPENDITURES	<u>2,664,641</u>	<u>2,905,800</u>	<u>2,574,642</u>	<u>331,158</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**EMERGENCY FUND - SPECIAL REVENUE FUND
SCHEDULE OF EXPENDITURES
For The Year Ended June 30, 2004**

	<u>ACTUAL</u>
MAINTENANCE	
PERSONNEL	
Salaries	
Maintenance	\$ 11,937
TOTAL PERSONNEL	<u>11,937</u>
REPAIRS AND MAINTENANCE	
Maintenance	
Outside repairs	140
Parts and supplies	640
TOTAL REPAIRS AND MAINTENANCE	<u>780</u>
OPERATING	
Property and equipment rental	58,324
Supplies - levee	43,106
TOTAL OPERATING	<u>101,430</u>
SUBTOTAL - CURRENT EXPENDITURES	<u>114,147</u>
TOTAL EXPENDITURES	<u>\$ 114,147</u>

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**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**WEST OF HARVEY CANAL - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH (CONTINUED)
For The Year Ended June 30, 2004**

East of Harvey (Reach #500)	
Board Attorney	\$ 4,850
Engineering	11,560
Other consultants	24,706
Total East of Harvey	<u>41,116</u>
Algiers Canal (Reach #510)	
Engineering	1,150,455
Total Algiers Canal	<u>1,150,455</u>
Belle Chasse Hwy to Algiers Locks - Westside (Reach #525)	
Relocation	6,433
Total Belle Chasse Hwy to Algiers Locks - Westside	<u>6,433</u>
Sector Gate Complex (Reach #530)	
Abstract and title fees	350
Surveys/testing	300
Engineering	5,042
Total Sector Gate Complex	<u>5,692</u>
Cousins Pump Station (Reach #535)	
Engineering	153,218
Construction costs	1,180,480
Total Cousins Pump Station	<u>1,333,698</u>
Hero Canal to Belle Chasse - Eastside (Reach #540)	
Surveys/testing	8,914
Total Hero Canal to Belle Chasse - Eastside	<u>8,914</u>
Cousins Pump Station - Discharge (Reach #545)	
Board Attorney	4,850
Engineering	173,881
Relocation	907
Equipment rental	108,213
Total Cousins Pump Station - Discharge	<u>287,851</u>
Cousins Pump Station/Culvert (Reach #550)	
Abstract and title fees	750
Surveys/testing	3,900
Total Cousins Pump Station/Culvert	<u>4,650</u>
Cousins Pump Station/Culvert #2 (Reach 555)	
Abstract and title fees	3,750
Total Cousins Pump Station/Culvert	<u>3,750</u>
Belle Chasse Burrow Pit (Reach #590)	
Surveys/testing	10,800
Total Belle Chasse Burrow Pit	<u>10,800</u>
Cataouatche Levee (Reach #800)	
Other consultants	701
Total Cataouatche Levee	<u>701</u>

(Continued)

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**WEST OF HARVEY CANAL - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH (CONTINUED)
For The Year Ended June 30, 2004**

Bayou Segnette P/S to Company Canal (Reach #805)	
Board Attorney	800
Total Bayou Segnette P/S to Company Canal	<u>800</u>
Bayou Segnette Floodwall to Lake Cataouatche Pump Stn (Reach #815)	
Board Attorney	5,943
Land	61,000
Relocation	7,755
Total Bayou Segnette Floodwall	<u>74,698</u>
Project Management (Reach #900)	
Board Attorney	90
Other consultants	22,200
Interest on Anticipation Notes	310
Bank charges	2,000
Total Project Management	<u>24,600</u>
New Westwego to Orleans Village (Reach #910)	
Board Attorney	2,575
Levee supplies	540
Equipment rental	33,479
Total New Westwego to Orleans Village	<u>36,594</u>
Westwego Airport Floodwall (Reach #911)	
Board Attorney	58,925
Other attorneys	136,615
Surveys/testing	380
Total Westwego Airport Floodwall	<u>195,920</u>
Orleans Village to Highway 45 (Reach #915)	
Board Attorney	150
Total Orleans Village to Highway 45	<u>150</u>
Ames Pump to Highway 45 (Reach #917)	
Construction costs	821,680
Total Ames Pump to Highway 45	<u>821,680</u>
Highway 45 (Reach #920)	
Board Attorney	3,283
Total Highway 45	<u>3,283</u>
V-Line East (Reach #935)	
Board Attorney	2,425
Other attorneys	2,428
Equipment rental	4,210
Total V-Line East	<u>9,063</u>
Estelle Pump Station to Cousins (Reach #940)	
Salaries	17,266
Other attorneys	11
Equipment rental	90,089
Total Estelle Pump Station to Cousins	<u>107,366</u>
 TOTAL EXPENDITURES	 <u>\$ 4,128,214</u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**LAFITTE LEVEE - CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES BY REACH
For The Year Ended June 30, 2004**

Project Management (Reach #800)	
Equipment rental	\$ 5,325
Total Project Management	<u>5,325</u>
Rosethorne Levee (Reach #805)	
Board Attorney	550
Engineering	39,200
Total Rosethorne Levee	<u>39,750</u>
Lower Goose Bayou (Reach #815)	
Engineering	5,127
Appraisal fees	750
Equipment rental	8,799
Total Lower Goose Bayou	<u>14,676</u>
Fisher Basin Levee (Reach #826)	
Board Attorney	15,275
Surveys/testing	5,235
Appraisal fees	500
Land	173,894
Total Fisher Basin Levee	<u>194,904</u>
 TOTAL EXPENDITURES	 \$ <u>254,655</u>

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SUPPLEMENTAL INFORMATION

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF COMMISSIONERS' PER DIEMS
For The Year Ended June 30, 2004**

<u>NAME</u>	<u>NUMBER OF REGULAR MEETINGS</u>	<u>NUMBER OF EMERGENCY MEETINGS</u>	<u>PER DIEM PAID</u>
Diann Amstutz	23	-	\$ 1,725
Anthony Caramonta	36	-	2,700
Clarence Guidry	36	-	2,700
Tim Kerner	27	-	2,025
Byron Lee	13	-	975
Tommy Plaisance	32	-	2,400
Catherine Soutullo	36	-	2,700
Peter Territo	36	-	2,700
Darrel Beerbohm	36	-	2,700
Milton Ceramic	6	-	450
			\$ <u>21,075</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
For The Year Ended June 30, 2004**

<u>DESCRIPTION OF FUNDING</u>	<u>AMOUNT</u>
State Revenue Sharing	\$ 387,258
Statewide Flood Control - #576-26-04	821,680
State Capital Outlay - DOTD State Project No. 750-99-0102	1,453,408
TOTAL	\$ <u><u>2,662,346</u></u>

**WEST JEFFERSON LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2004**

FEDERAL AGENCY/ PROGRAM TITLE	CFDA NUMBER	GRANT/ PROJECT NUMBER	GRANT PERIOD	
			FROM	TO
DIRECT ASSISTANCE				
DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Military Affairs: Emergency Disaster - Public Assistance Grants	97.036	FEMA LA-DR-1437 Appeal	N/A	N/A
DEPARTMENT OF THE ARMY				
U.S. Army Corps of Engineers LA Highway 3127 at Barataria Waterway	12.Unknown	N/A	N/A	N/A
INDIRECT ASSISTANCE				
DEPARTMENT OF THE ARMY				
U.S. Army Corps of Engineers West Bank Hurricane Protection Levee	12.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 the agreement, the District, LA-DOTD, and the U.S. Army Corps of Engineers are constructing the levee 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 \$314.0 million project cost, \$204.0 is federal and \$110.0 is non-federal. For the year ended June 30, 2004, the U.S. Army Corps of Engineers was scheduled to provide \$21,530,000 to the project, while the District expended \$4,128,214 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:

- A. This schedule is prepared on the full accrual (GAAP) basis of accounting.
- B. 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, 2003</u>	<u>CASH/ ASSISTANCE RECEIVED DURING YEAR</u>	<u>ACCRUED (DEFERRED) REVENUE JUNE 30, 2004</u>	<u>TOTAL REVENUE RECOGNIZED</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
27,250	<u>27,250</u> <u>27,250</u>	<u>-</u> <u>-</u>	<u>27,250</u> <u>27,250</u>	<u>-</u> <u>-</u>	<u>-</u> <u>-</u>
-	<u>-</u> <u>-</u>	<u>23,901</u> <u>23,901</u>	<u>-</u> <u>-</u>	<u>23,901</u> <u>23,901</u>	<u>23,901</u> <u>23,901</u>
N/A		<u>21,530,000</u>			<u>21,530,000 (1)</u>
		<u>\$ 21,553,901</u>			<u>\$ 21,553,901</u>

STATE OF LOUISIANA
Annual Financial Statements
June 30, 20 04

CONTENTS

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments
D.	Capital Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
J.	Leases
K.	Long-Term Liabilities
L.	Litigation
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Cooperative Endeavors
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets

Schedules

1	Schedule of Per Diem Paid Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20 04

WEST JEFFERSON LEVEE DISTRICT
(Agency Name)

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Henry Cecil, President (Name)
(Title) of West Jefferson Levee District (Agency) who duly sworn, deposes and says, that the
financial statements herewith given present fairly the financial position of
(agency) at June 30, 04 and the results of operations for the year then ended in accordance with
policies and practices established by the Division of Administration or in accordance with Generally
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.
Sworn and subscribed before me, this 25th day of August, 20 04.



Signature of Agency Official

NOTARY PUBLIC

Prepared by: PAUL C. RIVERA, CPA

Title: -

Telephone No.: 504-371-4390

Date: 8/25/04

STATE OF LOUISIANA

WEST JEFFERSON LEVEE DISTRICT (BTA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF JUNE 30, 2004

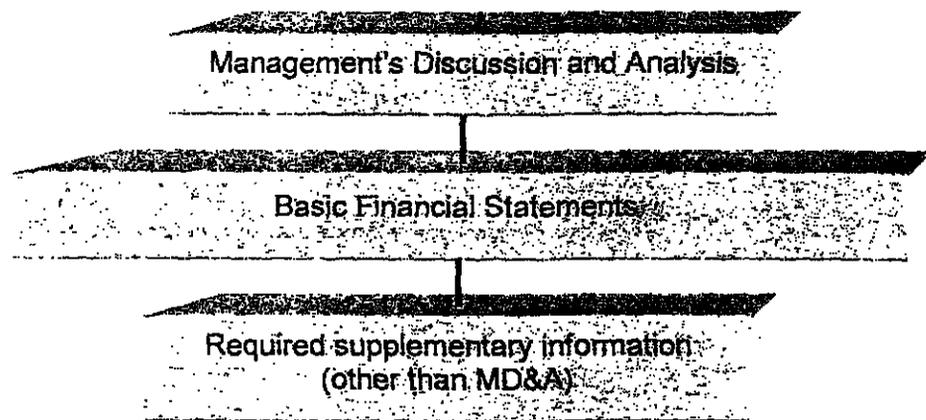
The Management's Discussion and Analysis of the District's (BTA) financial performance presents a narrative overview and analysis of District's (BTA) financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages ___ - ___ and the District's (BTA) financial statements, which begin on page ___.

FINANCIAL HIGHLIGHTS

- ★ The District's (BTA) assets exceeded its liabilities at the close of fiscal year 2004 by \$52,065 which represents a 9% increase from last fiscal year. The net assets decreased by \$ 4,372 (or 9%).
- ★ The District's (BTA) revenue increased \$ 1,941 (or 34%) and the net results from activities increased by \$ 1,866 (or 74%).
- ★
- ★

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

STATE OF LOUISIANA
WEST Jefferson LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2004

Basic Financial Statements

The basic financial statements present information for the District (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (pages ___ - ___) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the District (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages ___ - ___) presents information showing how District's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages ___ - ___) presents information showing how District's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of June 30, 2004
 (in thousands)

	Total	
	2004	2003
Current and other assets	\$ 5,288	\$ 5,157
Capital assets	47,375	43,656
Total assets	52,663	48,813
Other liabilities	244	422
Long-term debt outstanding	698	678
Total liabilities	942	1,100
Net assets:		
Invested in capital assets, net of debt	47,139	43,146
Restricted	119	179
Unrestricted	487	447
Total net assets	52,066	47,613

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

STATE OF LOUISIANA

WEST DEFEASUR LEVEE DISTRICT (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2004

Net assets of District's (BTA) decreased by \$ 4372, or 9 %, from June 30, 2003 to June 30, 2004. One of the major causes of this decrease is the inclusion of infrastructure assets. This class of asset, which includes roads, bridges, and levees, was not included in general fixed assets of District's (BTA) under the basis of accounting prior to adoption of GASB Statement 34. Other causes include capital grants flowing through statement of net activities.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 for the years ended June 30, _____
 (in thousands)

	Total	
	2004	2003
Operating revenues	\$ 210	\$ 71
Operating expenses	<u>3228</u>	<u>3143</u>
Operating income(loss)	<u>(3018)</u>	<u>(3069)</u>
Non-operating revenues(expenses)	<u>7385</u>	<u>5175</u>
Income(loss) before transfers	<u>4367</u>	<u>2106</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ <u>4372</u>	\$ <u>2506</u>

The District's (BTA) total revenues increased by \$ 134 or (145%). The total cost of all programs and services increased by \$ 83 or less than 3 %.

STATEMENT OF CASH FLOWS

another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

STATE OF LOUISIANA
WEST DEFRAYLON LEVEE DIST (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2004

Statement of Cash Flows
 (in thousands)

	2004	2003
Cash and cash equivalents provided used by:		
Operating activities	\$ (2,335,443)	\$ (2,428,623)
Capital Financial Activities	\$ 3,414,629	\$ 3,355,742
Non-capital financing activities	(1,055,556)	(1,583,253)
Investing activities	\$ 34,969	\$ 227,829
Net increase in cash and cash equivalents	78,549	(431,505)
Cash and cash equivalents		
Beginning of year	4,678,221	5,109,726
End of year	\$ 4,756,818	\$ 4,678,221

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the District (BTA) had \$ 47,139 invested in a broad range of capital assets, including property, plant & equipment, infrastructure (levees). (See Table below)
 This amount represents a net increase (including additions and deductions) of \$ 3,493, or 4%, over last year.

Capital Assets at Year-end
 (Net of Depreciation, in thousands)

	2004	2003
Land	\$ 6,545	\$ 6,310
Buildings and improvements	604	679
Equipment	645	737
Infrastructure	15,598	15,193
Construction in progress	24,127	20,187
Totals	\$ <u>47,519</u>	\$ <u>43,696</u>

This year's major additions included (in thousands):

- \$108 on tractors and mowers
- \$3440 on WD Home use levee and LeFite levee

Debt

The District (BTA) had \$ 380 thousand in bonds and notes outstanding at year-end, compared to \$ 550 thousand last year, an increase of 31% as shown in the table below.

DE

STATE OF LOUISIANA

WEST AFFAIRS WARD DIST (BTA)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF JUNE 30, 2004

Outstanding Debt at Year-end
(in thousands)

	<u>2004</u>	<u>2003</u>
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	<u>380</u>	<u>550</u>
Totals	<u>\$ 380 -</u>	<u>\$ 550 -</u>

New debt resulted from N/A

The N/A (BTA)'s bond rating continues to carry the _____ rating for general obligation bonds, and _____ rating for other debt.

The N/A (BTA) has claims and judgments of \$ -0- outstanding at year-end compared with \$ _____ last year. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$ 141 million ^(planned) over/under budget and expenditures were more than less than budget due in part to capital outlay under budget

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- property tax millage stayed at 8.03
- continuing money from state wide capital outlay per W&A Measure Level

The _____ (BTA) expects that next year's results will improve based on the following :

- N/A
-
-

CONTACTING THE District'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's (BTA) finances and to show the District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Board President, W&A

7001 River Road
Morgan, LA 70372

STATE OF LOUISIANA

WEST (REFUND) LEASING (BTA)

BALANCE SHEET

AS OF June 30, 2004

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$ 4,756,818
Investments (Note C2)	-
Receivables (net of allowance for doubtful accounts)(Note U)	531,573
Due from other funds (Note Y)	-
Due from federal government	-
Inventories	-
Prepayments	-
Notes receivable	-
Other current assets	-
Total current assets	\$ 5,288,391

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	-
Investments	-
Receivables	-
Notes receivable	-
Capital assets (net of depreciation)(Note D)	
Land	6,545,336
Buildings and improvements	603,840
Machinery and equipment	648,192
Infrastructure	15,597,667
Construction in progress	24,126,798
Other noncurrent assets	-
Total noncurrent assets	\$ 47,518,830
Total assets	\$ 52,807,221

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 244,474
Due to other funds (Note Y)	-
Due to federal government	-
Deferred revenues	-
Amounts held in custody for others	-
Other current liabilities (revenue anticipation notes)	-
Current portion of long-term liabilities:	
Contracts payable	-
Reimbursement contracts payable	-
Compensated absences payable (Note K)	108,240
Capital lease obligations - (Note J)	-
Notes payable	-
Liabilities payable from restricted assets (Note Z)	-
Bonds payable	185,000
Other long-term liabilities	-
Total current liabilities	\$ 547,714

NON-CURRENT LIABILITIES:

Contracts payable	-
Reimbursement contracts payable	-
Compensated absences payable (Note K)	-
Capital lease obligations (Note J)	-
Notes payable	-
Liabilities payable from restricted assets (Note Z)	-
Bonds payable	195,000
Other long-term liabilities	-
Total long-term liabilities	\$ 195,000
Total liabilities	\$ 742,714

NET ASSETS

Invested in capital assets, net of related debt	47,138,870
Restricted for:	
Capital projects	-
Debt service	219,064
Unemployment compensation	-
Other specific purposes	-
Unrestricted	4,806,613
Total net assets	\$ 52,064,547
Total liabilities and net assets	\$ 52,807,221

The accompanying notes are an integral part of this financial statement.

Statement A

STATE OF LOUISIANA

WEST AFFAIRS AND LEGAL DIST (BTA)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Sales of commodities and services	\$ -
Assessments	-
Use of money and property	-
Licenses, permits, and fees	158,119
Other	51,877
Total operating revenues	<u>209,996 -</u>
OPERATING EXPENSES	
Cost of sales and services	-
Administrative	2,569,376
Depreciation	654,228
Amortization	-
Total operating expenses	<u>3,223,604 -</u>
Operating income(loss)	<u>(3,013,608) -</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	2,275,088
Intergovernmental revenues (expenses) (SP)	1,619,743
Taxes	3,027,371
Use of money and property	54,864
Gain (loss) on disposal of fixed assets	22,725
Federal grants	23,901
Interest expense	(25,875)
Other (State revenue sharing)	387,258
Total non-operating revenues(expenses)	<u>7,385,245 -</u>
Income(loss) before contributions and transfers	<u>4,371,597 -</u>
Capital contributions	-
Transfers in	-
Transfers out	-
Change in net assets	<u>4,371,597 -</u>
Total net assets - beginning as restated	<u>47,642,910</u>
Total net assets - ending	\$ <u><u>52,064,507 -</u></u>

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA

WEST DEPENDENT LEVEL DIS (BTA)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Entity	\$ <u>324479</u>	\$ <u>675</u>	\$ <u>-</u>	\$ <u>3418732</u>	\$ <u>64,428-</u>
General revenues:					
Taxes					<u>3,027,371</u>
State appropriations (state revenue sharing)					<u>387,258</u>
Grants and contributions not restricted to specific programs					<u>-</u>
Interest					<u>54,464</u>
Miscellaneous					<u>209,281</u>
Special items (gain (loss) on sale of equip)					<u>22,795</u>
Transfers					<u>-</u>
Total general revenues, special items, and transfers					<u>3,701,669-</u>
Change in net assets					<u>4,371,597-</u>
Net assets - beginning					<u>47,692,910</u>
Net assets - ending					\$ <u>52,064,507-</u>

STATE OF LOUISIANA

WEST SEFFERSON LEVURE DIST (BTA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED June 30, 2004

Cash flows from operating activities

Cash received from customers	\$	-
Cash payments to suppliers for goods and services		(1,130,494)
Cash payments to employees for services		(1,414,902)
Payments in lieu of taxes		-
Internal activity-payments to other funds		-
Claims paid to outsiders		-
Other operating revenues(expenses)		209,956
Net cash provided(used) by operating activities		(2,335,440)

Cash flows from non-capital financing activities

State appropriations (state red shares)		387,258
Proceeds from sale of bonds		-
Principal paid on bonds		-
Interest paid on bond maturities		-
Proceeds from issuance of notes payable		-
Principal paid on notes payable		-
Interest paid on notes payable		-
Operating grants received		-
Other (property taxes)		3,027,371
Transfers In		-
Transfers Out		-
Net cash provided(used) by non-capital financing activities		3,414,629 -

Cash flows from capital and related financing

Proceeds from sale of bonds		-
Principal paid on bonds		(170,000)
Interest paid on bond maturities		(25,875)
Proceeds from issuance of notes payable		-
Principal paid on notes payable		(10,838)
Interest paid on notes payable		-
Acquisition/construction of capital assets		(4704,517)
Proceeds from sale of capital assets		39,610
Capital contributions		-
Other (Fed, state + local grants)		3,816,064
Net cash provided(used) by capital and related financing activities		(1,053,556) -

Cash flows from investing activities

Purchases of investment securities		-
Proceeds from sale of investment securities		-
Interest and dividends earned on investment securities		54,464
Net cash provided(used) by investing activities		54,464 -

Net increase(decrease) in cash and cash equivalents

78,547 -

Cash and cash equivalents at beginning of year

4,678,281

Cash and cash equivalents at end of year

\$ 4,756,818

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA

WEST DEFFERED LEVUE DWS (BTA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ (3013648)
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	654,228	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals		
Increase(decrease) in accrued payroll and related benefits	33,582	
Increase(decrease) in compensated absences payable	(9602)	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ (2,335,440)-

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	N/A
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA

WEST JEFFERSON PARISH DISTRICT (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

INTRODUCTION

The District (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute Act 820 of 1980. The following is a brief description of the operations of District (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of West Jefferson Parish District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the District (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA

WEST ORLEANS LEVEE DISTRICT (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>2664,641</u>
Amendments:	<u>241,159</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u>2905,800 -</u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may 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.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. 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. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Following the issuance of GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name. **(separate disclosure no longer required)**

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name. **(separate disclosure no longer required)**

Category 3 – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name. **(separate disclosure still required)**

GASB Statement 40 only requires any category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 20 04, consisted of the following:

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	\$ <u>4,756,818</u>	\$ -	\$ -	\$ <u>4,756,818</u>
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	-	-	-	-
Total category 3 bank balances	\$ -	\$ -	\$ -	\$ -
Total bank balances (All categories including category 3 reported above)	\$ <u>5,502,342</u>	\$ -	\$ -	\$ <u>5,502,342</u>

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	Banking institution	Program	Amount
1.	<u>Hibernia Bank</u>		\$ <u>5,502,342</u>
2.			
3.			
4.			
Total			\$ <u>5,502,342</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury \$ N/A
 Petty cash \$ L

2. INVESTMENTS

The District (BTA) does does not maintain investment accounts as authorized by _____ (Note legal provisions authorizing investments by (BTA)).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

STATE OF LOUISIANA

WEST AFFAIRS SERVICE DIST (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds N/A
- b. Securities underlying reverse repurchase agreements N/A
- c. Unrealized investment losses N/A
- d. Commitments as of N/A (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____
 - 2. Description of the terms of the agreement _____
- e. Losses during the year due to default by counterparties to deposit or investment transactions N/A
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet N/A

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements N/A
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year N/A

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest N/A
- j. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close), of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

STATE OF LOUISIANA

WEST JEFFERSON LEVEE DIST (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices N/A
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

- v. Briefly describe the deposit and /or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact. N/A
- w. List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments _____
- x. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.) _____
- y. Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount). _____
- z. Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk of those investments (by, using one of the following 5 methods that is used to identify and manage interest rate risk: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.) _____

STATE OF LOUISIANA

WEST AFFAIRS LEVUE DIST (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

- aa. Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

N/A

D. CAPITAL ASSETS - INCLUDING CAPITAL LEASES ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2004						
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 7/1/2003	Additions	Transfers*	Retirements	Balance 6/30/2004
Capital assets not being depreciated							
Land	6,310,442	-	-	234,894	-	-	6,545,336
Non-depreciable land improvements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Construction in progress	20,187,236	-	-	3,939,559	-	-	24,126,795
Total capital assets not being depreciated	26,497,678			4,174,453			30,672,131
Other capital assets							
Furniture, fixtures, and equipment	1,609,879	-	-	111,131	-	(163,318)	1,557,692
Less accumulated depreciation	872,618	-	-	186,392	-	(146,503)	912,507
Total furniture, fixtures, and equipment	737,261			(75,261)		(16,815)	645,192
Buildings and improvements	7862,686	-	-	-	-	-	18,626,86
Less accumulated depreciation	1184,334	-	-	74,507	-	-	12,588,46
Total buildings and improvements	678,347			(74,507)			603,840
Depreciable land improvements	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total depreciable land improvements							
Infrastructure	18,555,981	-	-	208,416	-	-	18,804,397
Less accumulated depreciation	2,813,401	-	-	393,329	-	-	3,206,730
Total infrastructure	15,742,580			(184,913)			15,557,667
Total other capital assets	17,148,195			(334,681)		(16,815)	16,816,699
Capital Asset Summary:							
Capital assets not being depreciated	26,497,678	-	-	4,174,453	-	-	30,672,131
Other capital assets, at cost	22,068,546	-	-	319,547	-	(163,318)	22,224,775
Total cost of capital assets	48,566,224			4494,000		(163,318)	52,896,906
Less accumulated depreciation	4,870,351	-	-	654,228	-	(146,503)	5,378,076
Capital assets, net	43,695,873			3,839,772		(16,815)	47,518,830

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

STATE OF LOUISIANA

~~WEST AFFAIRS) LEASE DIST~~ (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

E. INVENTORIES

The unit's inventories are valued at N/A (method of valuation). These are perpetual inventories and are expensed when used. NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.

F. RESTRICTED ASSETS

Restricted assets in the N/A (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current assets section on Statement A, consist of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type investments held.) State the purpose of the restrictions: _____

G. LEAVE

1. COMPENSATED ABSENCES

The Director (BTA) has the following policy on annual and sick leave: (Describe leave policy.)

~~An example disclosure follows:~~

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

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at N/A (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ _____. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the La. State Employees Retirement (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

STATE OF LOUISIANA

WEST JEFFERSON LEVINE DIST (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year _____ amounted to \$ _____. A schedule of payments for operating leases follows:

Nature of lease	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010-2014	FY2015-2019
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

2. CAPITAL LEASES

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment			
c. Land			
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

STATE OF LOUISIANA

WEST DEPARTMENTAL LEASE DIS (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

Year ending June 30 :	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____ <u>N/A</u>
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____ <u>N/A</u>	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____ <u>N/A</u>
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

STATE OF LOUISIANA

WEST GULF COAST LEASES DIS (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

SCHEDULE C - LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	N/A	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30:</u>	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	N/A
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

3. LESSOR DIRECT FINANCING LEASES

N/A

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

STATE OF LOUISIANA

WEST DEFENSE LEASE 01/15 (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

Provide a general description of the direct financing agreement, and complete the chart below:

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space		\$	\$	\$
b. Equipment				
c. Land				
Less amounts representing executory costs				
Minimum lease payment receivable				
Less allowance for doubtful accounts				
Net minimum lease payments receivable				
Less estimated residual value of leased property				
Less unearned income				
Net investment in direct financing lease		\$		

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2004 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year):

Year ending _____:	
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total	\$ _____

4. LESSOR - OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20 _____.

	Cost	Accumulated depreciation	Carrying amount
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

STATE OF LOUISIANA

WEST DEFRANCO LEVER DIS (BTA)
Notes to the Financial Statement

As of and for the year ended June 30, 20 04

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year):

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2005	\$	\$	\$	\$	\$
2006					
2007					
2008					
2009					
2010-2014					
2015-2019					
Total	\$ -	\$ -	\$ -	\$ -	\$ -

N/A

Current year lease revenues received in fiscal year N/A totaled \$ _____.

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2004:

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	\$
Reimbursement contracts payable					
Bonds payable	580,000	-	170,000	380,000	185,000
Total notes and bonds	580,000	-	170,000	380,000	185,000
Other liabilities:					
Contracts payable	-	-	-	-	-
Compensated absences payable	127,842	-	9,802	118,040	118,040
Capital lease obligations	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-
Claims and litigation	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Total other liabilities	127,842	-	9,802	118,040	118,040
Total long-term liabilities	<u>677,842</u>	<u>-</u>	<u>179,802</u>	<u>448,040</u>	<u>302,240</u>

A detailed summary, by issues, of all debt outstanding at June 30, 2004 including outstanding interest of \$ 27,415 is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

STATE OF LOUISIANA

WEST OFFSHORE LEASE 0125 (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 07

L. LITIGATION

1. The Dart (BTA) is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)	Primary Attorney	Damages Claimed	Insurance Coverage
			\$ _____	\$ _____
	<u>Various (can cover) by insurance</u>			
			\$ _____	\$ _____
	Totals		\$ _____	\$ _____

The N/A (BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement): _____

2. Claims and litigation costs of \$ _____ were incurred in the current year and are reflected in the accompanying financial statement.

M. RELATED PARTY TRANSACTIONS

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions). N/A

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting _____ (principle, estimate, error or entity). The effect of the change is being shown in _____ N/A

O. IN-KIND CONTRIBUTIONS

(List all in-kind contributions that are not included in the accompanying financial statements.)

In-Kind Contributions	Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor
	\$ _____
Total	\$ _____

STATE OF LOUISIANA

WEST DEFEASING LEVURE 01/5 (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

P. DEFEASED ISSUES

In _____, 20____, the N/A (BTA), issued \$ _____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ _____, plus an additional \$ _____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ _____.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding as of June 30, 2004, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance June 30, 2004</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	<u>N/A</u>
General obligation bonds	_____
Federal funds	_____
Interagency transfers	<u>I</u>
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2004. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2003. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

STATE OF LOUISIANA

WEST CREEK LEVEE DIST (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2004

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
FEMA	\$ -	\$ -	\$ 27,250	\$ -	\$ 27,250
W.D. Hurricane Levee	-	-	504,323	-	504,323
Gross receivables	\$ -	\$ -	\$ 531,573	\$ -	\$ 531,573
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ 531,573	\$ -	\$ 531,573
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 205,835	\$ 33,639	\$ -	\$ -	\$ 239,474
W.D. Levee	-	-	-	5,000	5,000
Total payables	\$ 205,835	\$ 33,639	\$ -	\$ 5,000	\$ 244,474

W. SUBSEQUENT EVENTS

[Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.]

N/A

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

STATE OF LOUISIANA

WEST AFFAIRS LOUISIANA DISO (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 04

3. List by fund type all transfers from other funds for the fiscal year:

Type of Fund	Name of Fund	Amount
<u>Debt Service</u>	<u>Salinity Fund</u>	\$ <u>195,870</u>
<u>Special Revenue</u>	<u>Emergency Fund</u>	<u>400,000</u>
Total transfers from other funds		\$ <u>595,870</u>

4. List by fund type all transfers to other funds for the fiscal year:

Type of Fund	Name of Fund	Amount
<u>General</u>	<u>General Fund</u>	\$ <u>545,870</u>
Total transfers to other funds		\$ <u>545,870</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

Liabilities payable from restricted assets in the N/A (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 20__.

Ending net assets July 1, 2003, previously reported	Adjustments + or (-)	Beginning net assets, July 1, 2003, As restated
\$ _____	\$ _____	\$ _____
_____	_____	_____
_____	<u>N/A</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

STATE OF LOUISIANA
West Side Canal Dist (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 For the Year Ended June 30, 2004
 (Fiscal Close)

<u>Name</u>	<u>Amount</u>
	\$ _____
(See page 58	
of Financial Report)	
	\$ <u><u>21,075</u></u>

STATE OF LOUISIANA
WEST STEPHEN WARD DIST (BTA)
SCHEDULE OF STATE FUNDING
 For the Year Ended June 30 2014
 (Fiscal Close)

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u><u>2,662,346</u></u>

(See page 54
 of financial report)

STATE OF LOUISIANA
WEST OFF LOUISIANA DIST (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2024
 (Fiscal Close)

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
Total	\$ _____	\$ _____

N/A

STATE OF LOUISIANA
MISSISSIPPI LEASE 2115 (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2004

Fiscal Year <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2005	\$ _____	\$ _____	\$ _____	\$ _____
2006	_____	_____	_____	_____
2007	_____	_____	_____	_____
2008	_____	_____	_____	_____
2009	_____	_____	_____	_____
2010-2014	_____	_____	_____	_____
2015-2019	_____	_____	_____	_____
2020-2024	_____	_____	_____	_____
2025-2029	_____	_____	_____	_____
Total	\$ _____	\$ _____	_____	_____

SCHEDULE 4-B

STATE OF LOUISIANA
WEST OFF LOUISIANA DIV (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
Total	\$ <u>_____</u>	\$ <u>_____</u>

SCHEDULE 4-C

STATE OF LOUISIANA
WEST DEEP LOUVE DIST (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2024

Fiscal Year Ending:	Principal	Interest
2005	\$ 185,000	\$ 18,055
2006	195,000	9,360
2007		
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
Total	\$ 380,000 --	\$ 27,415 --

SCHEDULE 4-D

STATE OF LOUISIANA

WEST OFF. LOUIS. DIST (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>210</u>	\$ <u>71</u>	\$ <u>(139)</u>	\$ <u>(197%)</u>
Expenses	<u>3223</u>	<u>3140</u>	<u>83</u>	<u>2.6%</u>
<i>non operating rev</i>	<u>7385</u>	<u>5575</u>	<u>1810</u>	<u>32.5%</u>
2) Capital assets	<u>47,519</u>	<u>43,696</u>	<u>3823</u>	<u>8.7%</u>
Long-term debt	<u>498</u>	<u>678</u>	<u>(180)</u>	<u>(26.5%)</u>
Net Assets	<u>52,065</u>	<u>47,693</u>	<u>4372</u>	<u>9.2%</u>

Explanation for change:

See MDTA

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ <u>3261,000</u>	\$ <u>3502,000</u>	\$ <u>241,000</u>	\$ <u>7.4%</u>
Expenditures	<u>2664,641</u>	<u>2405,800</u>	<u>241,159</u>	<u>9.1%</u>

Explanation of change:

See MDTA

	<u>2004 Final Budget</u>	<u>2004 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	<u>3502,000</u>	<u>3642,631</u>	<u>140,631</u>	<u>4.0%</u>
Expenditures	<u>2405,800</u>	<u>2574,642</u>	<u>(331,158)</u>	<u>11.4%</u>

Explanation of change:

See MDTA

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SINGLE AUDIT SECTION

**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

I have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the General Fund 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, 2004, which collectively comprise the District's basic financial statements and have issued my report thereon dated August 25, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

However, I noted other matters involving the internal control over financial reporting that I have reported to management of the District in a separate report entitled "Memorandum of Advisory Comments", dated August 25, 2004.

This report is intended for the information of the Board of Commissioners, management, the Legislative Auditor of the State of Louisiana, and all applicable federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Paul C. Riven, CPA
August 25, 2004

**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

I 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, 2004. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying 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. My responsibility is to express an opinion on the District's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States; 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 I 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 I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's compliance with those requirements.

In my 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, 2004.

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 my audit, I 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 my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the Legislative Auditor of the State of Louisiana, and all applicable federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Paul C. Bivie, CPA

August 25, 2004

WEST JEFFERSON LEVEE DISTRICT
State of Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2004

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic 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, 2004.
2. No material weaknesses or reportable conditions in internal control relating 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*.
3. No instances of noncompliance material to the financial statements of the District 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*.
4. No material weaknesses or reportable conditions in internal control 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.
5. The auditor's report on compliance for the major federal award programs for the District expresses an unqualified opinion on all major federal programs.
6. There are no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major federal award programs include:

<u>CFDA</u>	<u>Program Name</u>
12.Unknown	Water Resources and Development Act, Westbank Hurricane Protection Levee

8. The threshold for distinguishing Type A and Type B programs was \$500,000 (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).
9. The District is considered to be a "low-risk" auditee.

WEST JEFFERSON LEVEE DISTRICT
State of Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 2004

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

THERE WERE NO FINDINGS IN PRIOR YEAR

RECEIVED
LEGISLATIVE AUDITOR

04 SEP -2 AM 11:06

MEMORANDUM OF ADVISORY COMMENTS

**WEST JEFFERSON LEVEE DISTRICT
A Component Unit of the State of Louisiana**

Year Ended June 30, 2004

TABLE OF CONTENTS

	<u>Page</u>
INTERNAL CONTROL STRUCTURE AND RELATED MATTERS	
Auditor's Letter	2
Current Year Comments and Suggestions	
Protecting the District's Assets	3
Disseminating the Code of Ethics	4

**INTERNAL CONTROL STRUCTURE
AND RELATED MATTERS**

Paul C. Rivera, CPA

Board of Commissioners
West Jefferson Levee District
Marrero, Louisiana

I have audited the financial statements of the West Jefferson Levee District (the "District"), a component unit of the State of Louisiana, for the year ended June 30, 2004, and have issued my reports thereon dated August 25, 2004. As part of my audit, I considered the District's internal control structure in order to determine the nature, timing, and extent of my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control structure.

Reportable conditions which may have been noted during my consideration of the internal control structure have been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Over Financial Reporting Based on an Audit Performed in Accordance With Government Auditing Standards".

This memorandum summarizes various other matters which have come to my attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of the District.

I have already discussed these comments and suggestions with the District's administrative personnel and have included their responses. I will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform an additional study of these matters, or assist you in implementing the recommendations.

Paul C. Rivera, CPA

August 25, 2004

WEST JEFFERSON LEVEE DISTRICT
A Component Unit of the State of Louisiana
COMMENTS AND SUGGESTIONS
For the Year Ended June 30, 2004

PROTECTING THE DISTRICT'S ASSETS

04-1. COMMENT

During my testing of cash, I noticed a large number of outstanding checks which are old (i.e., "stale-dated"). 40 outstanding checks listed on the General Fund's bank reconciliation are greater than 12 months old.

RECOMMENDATION

While some of the outstanding checks involve expropriations and legal proceedings, and thus are probably being held on purpose by the payor, many of the smaller checks should be investigated and voided/reissued. The District should take care to review the outstanding check list and investigate stale-dated checks on a more timely basis.

RESPONSE

We will review the checks in question and will put procedures in place to void/reissue checks greater than 180 days old.

WEST JEFFERSON LEVEE DISTRICT
A Component Unit of the State of Louisiana
COMMENTS AND SUGGESTIONS (CONTINUED)
For the Year Ended June 30, 2004

DISSEMINATING THE CODE OF ETHICS

04-2. COMMENT

Upon taking office, the Board Commissioners and employees are required to abide by the State Code of Ethics. While the Board Commissioners and the District employees are generally aware of the State Code of Ethics, there are no procedures in place to document that the State Code of Ethics has been reviewed and is understood by each party. There are also no procedures in place to document a Board Commissioner or employee's compliance with the State Code of Ethics.

RECOMMENDATION

The District should incorporate the State Code of Ethics into its personnel manual. The information should be disseminated upon being hired by the District. Procedures should also be considered for documenting a Board Commissioner or employee's understanding of the Code of Ethics and an attestation as to compliance. This could be done annually as part of their performance review (if one is done).

RESPONSE

We have already contacted our labor lawyer to begin drafting the above recommended procedures. We expect to have them in place by the end of the current year.