

STATE OF LOUISIANA  
DEPARTMENT OF REVENUE  
BUREAU OF TAXATION  
BOSTON, JULY 29

**EAST JEFFERSON LEWHE DISTRICT**  
**STATE OF LOUISIANA**  
**Basic Financial Statements**  
**and Independent Auditors' Reports**  
**As of and for the Year Ended June 30, 2008**  
**With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and shall be open to public inspection. The report is available for public inspection at the Post Office office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/24/08

**EAST JEFFERSON LEVEE DISTRICT**  
**205 PLAUCHE COURT**  
**HARRAHAN, LOUISIANA 70125**  
**(504) 733-0007**

**GOVERNING BOARD**

**Glenn J. Bergeron, President**  
**Ronald Ziblich, Vice President**  
**Patrick Bossetta, Secretary**  
**Walker Dubbs, Treasurer**  
**F. J. Eahn**

**Dobby Beargouis, Executive Director**

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board of Levee Commissioners of the  
East Jefferson Levee District  
State of Louisiana  
Bossier, Louisiana

We have audited the accompanying basic financial statements of the EAST JEFFERSON LEEVE DISTRICT, a component unit of the State of Louisiana, as of and for the year ended June 30, 2002, as listed in the Table of Contents. These basic financial statements are the responsibility of East Jefferson Levee District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our 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, and the Louisiana Governmental Audit Guide. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the East Jefferson Levee District, as of June 30, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the East Jefferson Levee District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Overview and Interpretation*; No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001. This results in a change in the format and content of the basic financial statements.

The accompanying required supplementary information, including Management's Discussion and Analysis and the Budget Comparison as listed in the Table of Contents are not a required

part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We have also issued our report dated July 30, 2002 on our consideration of the Louisiana East Jefferson Levee District's annual financial report to the Louisiana Division of Administration as of and for the year ended June 30, 2002, which is listed in the Table of Contents as Other Supplementary Information.

In accordance with Government Auditing Standards, we have also issued our report dated July 30, 2002, on our consideration of the East Jefferson Levee District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

*Larry J. Liberty*  
Certified Public Accountant, CPA

*Brooklyn M. Ryall*  
Certified Public Accountant

July 30, 2002

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002**

The Management's Discussion and Analysis of the East Jefferson Levee District financial performance presents a narrative overview and analysis of East Jefferson Levee District's financial activities for the year ended June 30, 2002. 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 District's financial statements, which begin on page 7.

**FINANCIAL HIGHLIGHTS**

- ★ The District's assets exceeded its liabilities at the close of fiscal year 2002 by \$83,736,358 which represents a 1% decrease from last fiscal year. The reason for the decrease of 1% was a result of implementing GASB Statement 34. The net assets invested in capital assets were reduced as a result of recording depreciation expense. The net assets decreased by \$44,182 (or .0%).
- ★ The District's revenue decreased \$454,253 (or 1%) and the net results from activities decreased by \$24,660. A significant factor in the reduction of the District's revenue was the declining interest rates. Also, the net results from activities decreased as a result of recognizing depreciation expense with the adoption of GASB Statement 34.

**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  
 EAST JEFFERSON LEVEE DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2002

**Basic Financial Statements**

The basic financial statements present information for the East Jefferson Levee District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statement of Revenue, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (page 7) 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 is improving or deteriorating.

The Statement of Revenue, Expenses, and Changes in Fund Net Assets (page 8) presents information showing how the District's 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 10-11) presents information showing how the District's 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, 2002  
 (IN THOUSANDS)

	<u>Total</u>	
	<u>2002</u>	<u>2001</u>
Current and other assets	\$11,339	\$11,656
Capital assets	<u>4,948</u>	<u>5,035</u>
Total assets	<u>16,277</u>	<u>16,711</u>
Other liabilities	2,551	2,788
Long-term debt outstanding	<u>—</u>	<u>—</u>
Total liabilities	<u>2,551</u>	<u>2,788</u>
Net assets:		
Invested in capital assets, net of debt	4,948	5,035
Restricted	3,810	5,482
Unrestricted	<u>2,898</u>	<u>2,788</u>
Total net assets	<u>\$11,728</u>	<u>\$13,513</u>

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2003**

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

Net assets of the District's decreased by \$184,212, or 1%, from June 30, 2001 to June 30, 2003. One of the major causes of this decrease is the recording of depreciation expense with the adoption of GASB Statement 34. The beginning fund balance was restated to include infrastructure assets. This class of asset, which includes roads, bridges, and levees, was not included in general fund assets of the District under the basis of accounting prior to adoption of GASB Statement 34.

	2001	2002
Assets		
Current assets	\$ 2,100,000	\$ 2,100,000
Capital assets	1,100,000	1,100,000
Deferred maintenance	100,000	100,000
Restricted assets	100,000	100,000
Total assets	\$ 3,400,000	\$ 3,400,000
Liabilities		
Current liabilities	\$ 1,000,000	\$ 1,000,000
Long-term liabilities	1,000,000	1,000,000
Total liabilities	\$ 2,000,000	\$ 2,000,000
Net assets	\$ 1,400,000	\$ 1,400,000

The District's total revenues decreased by \$454,233 or (3%). The total cost of all programs and services decreased by \$492,073 or (5%).

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2003, the District had \$4,348,080 invested in a broad range of capital assets, including land, buildings and improvements and equipment. (See Table below). This amount represents a net decrease (including additions and deductions) of \$186,715 or 2%, under last year. The net decrease is comprised of the following:

Current year acquisitions of capital assets	\$ 234,571
Current year depreciation	(421,286)
	<u>\$ (186,715)</u>

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2001**

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

	<u>2001</u>	<u>2000</u>
Land	\$ 1,591	\$ 1,590
Building and improvements	889	928
Equipment	380	586
Infrastructure	<u>1,888</u>	<u>1,910</u>
Totals	<u>\$ 4,948</u>	<u>\$ 5,034</u>

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

- Vehicles and equipment \$ 177
- Tractor equipment 57

**DEBT**

The Levee District has obligations for compensated absences of \$138,884.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$35,000 under budget and expenditures were less than budget due in part to declining interest rates for revenues. Expenditures were less because there were no major storms/hurricanes during the year. Also, the District's share for Levee projects was lower than budgeted.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Revenues from ad valorem taxes remaining consistent.
- Increasing costs of employee salaries and related benefits.
- Increasing insurance costs for liability and hospitalization costs.

The District expects that next year's results will improve based on the following:

- Improving interest rates
- Maintaining cost of employee salaries and related benefits
- Control insurance costs

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bobby Bourgeois, Executive Director.

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**EAST JEFFERSON LYNN DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2008**

**ASSETS**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,080,091.99
Investments	8,539,670.48
Receivable - state	30,190.07
Receivable - accrued interest	96,995.46
Receivable - other	300.00
Prepaid expenses	95,480.05
Prepaid insurance	280,554.66
<b>Total Current Assets</b>	<u>11,523,252.61</u>
<b>Noncurrent Assets</b>	
Capital assets -	
Land	1,591,144.00
Buildings and improvements	1,151,065.00
Machinery and equipment	2,045,425.00
Infrastructure	2,583,080.00
Accumulated depreciation	<u>(2,741,470.00)</u>
<b>Total noncurrent assets</b>	<u>4,948,269.00</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 16,277,592.61</b></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts payable	\$ 2,537,797.52
Accrued salaries payable	48,195.66
Payroll deductions and accruals	8,757.64
<b>Total Current Liabilities</b>	<u>2,594,750.82</u>
<b>Noncurrent Liabilities</b>	
Compensated absences	158,084.00
<b>Total Noncurrent Liabilities</b>	<u>158,084.00</u>
<b>Total Liabilities</b>	<u>2,752,834.82</u>
<b>Net Assets</b>	
Investments in capital assets	4,948,269.00
Reserve for capital projects	5,810,487.27
Unassigned	<u>2,962,810.59</u>
<b>Total Net Assets</b>	<u>13,721,557.86</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 16,277,592.61</b></u>

See accompanying notes to the basic financial statements.

**EAST JEFFERSON LEVEE DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2002**

**GOVERNMENT ACTIVITIES:**

**Public Safety - Flood Protection:**

Administrative	\$ 511,344.04
Levee maintenance	1,513,532.83
Improvements	989,159.26
Police	1,341,879.13
Depreciation expense	<u>341,346.00</u>
<b>Total Expenses</b>	<u>4,717,261.26</u>

**GENERAL REVENUES:**

**Taxes -**

Ad valorem, net	3,862,459.23
Intergovernmental	414,145.00
Investment income	519,896.87
Miscellaneous	<u>68,567.53</u>
<b>Total General Revenues</b>	<u>4,875,068.63</u>

Increase in Net Assets (4,181.80)

**NET ASSETS AT JUNE 30, 2001** 13,779,359.66

**NET ASSETS AT JUNE 30, 2002** \$ 13,724,857.86

See accompanying notes to the basic financial statements.

**EAST JEFFERSON LEVIES DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUND  
JUNE 30, 2002**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,690,091.09
Investments	8,159,670.49
Receivable - water	10,558.57
Receivable - account interest	56,098.46
Receivable - other	206.00
Prepaid expenses	51,268.65
Prepaid insurance	<u>395,354.65</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,592,532.31</u></b>

<b>LIABILITIES AND FUND EQUITY</b>	
<b>Liabilities</b>	
Accounts payable	\$ 2,537,757.52
Accrued salaries payable	48,195.66
Payroll deductions and accounts	<u>6,257.64</u>
<b>Total Liabilities</b>	<b><u>2,592,150.82</u></b>
<b>Fund Equity</b>	
Fund balances -	
Assigned for capital projects	5,003,487.25
Unreserved - undesignated	<u>3,126,024.62</u>
<b>Total Fund Equity</b>	<b><u>8,037,181.88</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 11,592,532.31</u></b>

**Reconciliation of Total Governmental Fund Equity to Net Assets of Governmental Activities:**

Total Governmental Fund Equity	\$ 8,037,181.88
Amounts Reported for Governmental Activities in the Statements of Net Assets are Different Because:	
Capital Assets used in Governmental Activities are not Historical Resources and therefore are not Reported in the Funds (Net of accumulated Depreciation of \$3,710,476.00)	4,048,000.00
Long-Term Liabilities, including Compensated Absences, are not Due and Payable in the Current Period and therefore not Reported in the Funds	<u>(1,738,000.00)</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 10,326,937.88</u></b>

See accompanying notes to the basic financial statements.

EAST JEFFERSON LIVER DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUND  
 YEAR ENDED JUNE 30, 2002

<b>Revenues</b>	
Taxes -	
Ad valorem, net	\$ 5,862,696.23
Intergovernmental -	
State revenue sharing	414,145.00
Use of money and property -	
Interest earnings	329,896.87
Miscellaneous -	
Contract services	21,000.74
Other	23,246.61
Sales of surplus property	22,320.00
<b>Total Revenues</b>	<u>6,873,005.45</u>
<b>Expenditures</b>	
Current -	
Administrative	494,489.62
Lesson maintenance	1,535,522.82
Police	1,341,875.13
Non-capitalized improvements	889,159.26
Capital outlays	244,571.00
<b>Total Expenditures</b>	<u>4,505,617.83</u>
<b>Excess of Revenues (Expenditures)</b>	23,447.62
<b>FUND BALANCE - JUNE 30, 2001</b>	<u>8,857,734.27</u>
<b>FUND BALANCE - JUNE 30, 2002</b>	<u><b>\$ 8,881,181.89</b></u>

See accompanying notes to the basic financial statements.

**EAST JEFFERSON LEASE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**YEAR ENDED JUNE 30, 2002**

**Reconciliation of the change in Fund Equity -  
 Governmental Fund to the change in Net Assets  
 of Governmental Activities:**

Net Change in Fund Equity - Governmental Fund	<b>\$</b>	<b>79,447.62</b>
Amounts reported for Governmental activities in the Statement of activities are different because:		
Governmental Funds report capital outlays as expenditures while Governmental Activities report depreciation expense to allocate these expenditures over the life of the assets		
Capital assets purchases capitalized		254,571.00
Depreciation expense		(173,123.00)
Some expenses reported in the Statement of activities, such as compensated absence, do not require use of current financial resources and therefore are not reported as expenditures in governmental funds		(16,054.00)
	<u><b>\$</b></u>	<u><b>(44,100.00)</b></u>
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>(44,100.00)</u></b>

See accompanying notes to the basic financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS

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**EAST JEFFERSON LEVEE DISTRICT**  
**STATE OF LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.A. INTRODUCTION**

The East Jefferson Levee District was created by Louisiana State Legislature, Act 795 of 1979 effective January 1, 1979, from the territory removed from the Pontchartraine Levee District. The East Jefferson Levee District includes all or portions of the following parishes: Jefferson Parish (East of Mississippi River, South of Lake Pontchartraine, bounded by St. Charles Parish). The East Jefferson Levee District primarily protects flood protection for those areas contained in the district. The governing board determines the operations and responsibility of the levee district in accordance with the provisions of Louisiana statutes. The Board of Commissioners of the East Jefferson Levee District consists of five members appointed by the governor.

The accounting and reporting framework and the more significant accounting principles and practices of the East Jefferson Levee District are discussed in subsequent sections of this Note. The committee of the Board are organized to provide explanations, including acquired disclosures, of the East Jefferson Levee District's financial activities for the fiscal year ended June 30, 2002. The East Jefferson Levee District implemented new reporting model standards beginning July 1, 2001. Comparability with reports of all prior years will be affected. Also see Note 2.B.

**1.B. FINANCIAL REPORTING ENTITY**

GAAP Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The East Jefferson Levee District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is confined within the unit's boundaries. The accompanying basic financial statements present information only as to the transactions of the East Jefferson Levee District, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statements. The basic financial statement is issued by the Louisiana Division of Administration/Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

**1.C. BASIS OF PRESENTATION**

**Government-wide Financial Statements**

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the East Jefferson Levee District. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

Fund financial statements of the East Jefferson Levee District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that summarize its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is

**EAST JEFFERSON LIVIER DISTRICT**  
**STATE OF LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the East Jefferson Livier District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The fund of the East Jefferson Livier District is described below:

**Governmental Fund**

**General Fund**

The **General Fund** is the primary operating fund of the East Jefferson Livier District and is classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**1.D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Measurement focus** is a term used to describe "which" transactions are recorded within the various financial statements. **Basis of accounting** refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide **Statement of Net Assets** and the **Statement of Activities**, both governmental and business-like activities are presented using the economic resources measurement focus as defined in Item B, below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus is the determination of operating income, changes in net assets (or net recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**Basis of Accounting**

In the government-wide **Statement of Net Assets** and **Statement of Activities**, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or accrued.

**EAST JEFFERSON LEVEE DISTRICT**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

must used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchanges and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available."<sup>1</sup> Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**I.E. ASSETS, LIABILITIES, NET ASSETS AND FUND EQUITY**

***Cash and Cash Equivalents and Investments***

For the purpose of the statements of Net Assets, cash and cash equivalents includes all demand, savings accounts, and certificates of deposits with an original maturity of 90 days or less.

Investments are carried at fair value, except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market prices.

Additional cash and investment disclosures are presented in Notes 3.C, and 5.A.

***Receivables***

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

In the fund financial statements, material receivables in governmental funds include revenue accounts such as ad valorem taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Interchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days after they would be considered both measurable and available.

***Prepays***

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Prepays are similarly reported in government-wide and fund financial statements.

***Capital Assets and Depreciation***

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

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**Government-wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or acquisition value of \$5,000 or more are recorded at historical cost, or estimated historical cost if actual is unavailable. Donated fixed assets which are recorded at their estimated fair value at the date of donation.

**Infrastructure**

Prior to July 1, 2001, the infrastructure assets of governmental funds were not capitalized. The infrastructure assets are composed of nine floodgates that have been valued at estimated historical cost from information obtained from the U.S. Army Corps of Engineers.

The East Jefferson Levee District has both Mississippi River and Tributaries (MRBT) and Hurricane Protection Levees. These levees provide flood protection for most of the land areas contained within the District.

The Division of Administration, State of Louisiana, in a letter dated June 11, 2002, has advised that the East Jefferson Levee District does not provide major and significant improvements or maintenance to the levees that would constitute ownership under Governmental Accounting Standards Board (GASB 34) requirements. Based on guidance from the Division of Administration, the East Jefferson Levee District is required to report only a separate note disclosure of the MRBT and Hurricane Protection Levees in the financial statements. The East Jefferson Levee District makes grass and does minor repairs with its own workforce. Major repairs are normally made by the U.S. Corps of Engineers.

**Depreciation**

Depreciation of all depreciable fixed assets is recorded as an allocated expense in the statements of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	40 years
- Equipment	5-10 years
- Infrastructure	40 years

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Compensated Absence**

Employees of the East Jefferson Levee District earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation 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 vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

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The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences liability payable from expendable available financial resources.

### **Equity Classifications**

#### **Government-wide Statements**

Equity is classified as net assets and displayed in three components:

- a. **Investments in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. **Restricted Net Assets** – Consists of net assets with restrictions placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Assets** – All other net assets that do not meet the definition of “restricted” as “investment in capital assets.”

#### **Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as current and noncurrent, with noncurrent further split between designated and undesignated.

## **1.F. REVENUES, EXPENDITURES, AND EXPENSES**

### **Property Tax**

Article 5, Section 20 of the Louisiana Constitution of 1974 provides that for the purpose of assessing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto, the levee district may levy annually a tax not to exceed five mills. If the levee district needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the district.

All ad valorem taxes stand as an enforceable lien on property as of January 1 of each year. Taxes were levied by District in November and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

### **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character	Current (further classified by function)
	Debt Service
	Capital Outlay

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In the fund financial statements, governmental funds report expenditures of financial resources.

**NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

In its nature as a state agency, the East Jefferson Levee District is subject to various state laws and regulations. An analysis of the East Jefferson Levee District's compliance with significant laws and regulations and characterization of its stewardship-over East Jefferson Levee District resources follows.

**2.A. FUND ACCOUNTING REQUIREMENTS**

The East Jefferson Levee District complies with all state laws and regulations regarding the use of separate funds. The East Jefferson Levee District has no legally restricted funds.

**2.B. MISSTATEMENTS**

The East Jefferson Levee District implemented new reporting model standards in fiscal year 2003. As a result, reporting balances in the governmental fund financial statements are restated to remove the effect of unamortized compensated absence liabilities. Nonrecurring amounts for the General Fund are \$4,912,899. Also see Note 1.A.

Fund balance as of June 30, 2001	\$ 8,897,735
Fund assets (net) June 30, 2001	5,094,835
Compensated Absence June 30, 2001	<u>(142,835)</u>
Fund Balance restated as Net Assets June 30, 2001	<u>\$ 13,770,640</u>

**2.C. DEPOSITS AND INVESTMENTS- LAWS AND REGULATIONS**

In accordance with state law, all unreserved deposits of the East Jefferson Levee District in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivisions debt obligations, or money funds. As required by 12 U.S.C.A., Section 1829(a), all financial institutions pledging collateral to the East Jefferson Levee District must have a written collateral agreement approved by the East Jefferson Levee District of directors or their committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 50:2655 and the East Jefferson Levee District's investment policy.

**NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSIFICATION ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**EAST JEFFERSON LEVEE DISTRICT**  
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**3.A. CASH AND INVESTMENTS**

**Deposits**

The East Jefferson Levee District's policies regarding deposits of cash are discussed in Note 2.E. The table presented below is designed to disclose the level of custody credit risk assumed by the East Jefferson Levee District based upon how its deposits were insured or secured with collateral at June 30, 2002. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized with securities held by the East Jefferson Levee District or by its agent in its name

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the East Jefferson Levee District's name

Category 3 - Uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its trust department, or agent but not in the East Jefferson Levee District's name, or collateralized with no written or approved collateral agreement

Type of Deposits	Total Bank Balance	Category			Total Carrying Value
		1	2	3	
Insured deposits	\$ 945,865	\$ 308,080	\$ 0	\$ 1,695,817	\$ 828,374
Total Deposits	<u>\$ 945,865</u>	<u>\$ 308,080</u>	<u>\$ 0</u>	<u>\$ 1,695,817</u>	<u>\$ 828,374</u>

**Reconciliation to Government-wide Statement of Net Assets**

Prep cash	\$ 180
Restricted - levee improvements	5,404
Designated cash - insurance fund	248,690
Unrestricted cash	378,180
	<u>\$ 828,374</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, it.S. 39-1269 imposes a statutory requirement on the custodial bank to acquire and sell the pledged securities within 30 days of being notified by the East Jefferson Levee District that the fiscal agent has failed to pay deposited funds upon demand.

**Investments**

The East Jefferson Levee District's policies and applicable laws regarding investments are discussed in Note 2.F. and 2.G. The table presented below is designed to disclose the level of custody credit risk assumed by the East Jefferson Levee District based upon whether the investments are insured or registered and upon who holds the security at June 30, 2002. The categories of credit risk are defined as follows:

Category 1 - Insured or registered with securities held by the East Jefferson Levee District or its agent in the East Jefferson Levee District's name

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Category 3 - Uninsured and unregistered with securities held by counter party's trust department or agent in the East Jefferson Levee District's name

Category 5 - Uninsured and unregistered with securities held by the counter party or by its trust department or agent but not in the East Jefferson Levee District's name

Type of Investment	Category			Carrying Amount	Fair Value
	1	3	5		
U.S. Government Securities	\$ 30,170,089	\$ 0	\$ 0	\$ 30,170,089	\$ 30,170,089
Total Investments	\$ 30,170,089	\$ 0	\$ 0	\$ 30,170,089	\$ 30,170,089

Reconciliation to Government-wide Statement of Net Assets:

Restricted - lease improvements	\$ 1,824,425
Unrestricted	4,829,794
Total Investments	\$ 30,170,089

Included in Investments is \$799,213.69 in a U.S. Securities money market account which is shown in cash equivalent in the Statement of Net Assets.

**3.B. CAPITAL ASSETS**

Capital asset activity for the year-ended June 30, 2002, was as follows:

	Balance at June 30, 2001	Additions	Disposals	Balance at June 30, 2002
Government activities:				
Land	\$ 1,581,346			\$ 1,581,346
Buildings and improvements	1,581,869			1,581,869
Machinery and equipment	1,021,892	\$ 254,571		2,046,425
Infrastructure	2,580,000			2,580,000
Total Capital Assets	7,454,299	254,571		7,689,530
Less accumulated depreciation	(2,420,238)	(842,948)		(2,741,479)
Government activities capital assets, net	\$ 5,034,061	\$ 171,623		\$ 5,245,684

There are 11.52 miles of BR&T levees that lie within the jurisdiction of the East Jefferson Levee District. These levees were constructed and improved over the past 200 years by both original landowners and Federal and State Governments. The estimated cost of the 11.52 miles of BR&T levees as of June 30, 2002 is \$8,448,676.84. This estimate is based on information obtained from the New Orleans District of the U.S. Army Corps of Engineers.

The East Jefferson Levee District covers the grass and dirt minor repairs to 18 miles of Hurricane Protection Levees. These levees were built and improved during the past 25 years. Hurricane Protection levees provide protection from coastal high tides and storm surges associated with tropical weather systems. The majority of funding for construction was provided by the U.S. Government. The estimated project cost as of June 30, 2002, obtained from the New Orleans District of the U.S. Corps of Engineers, is \$41,794,461.56.

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With the adjustment of both MSBT and Hurricane Protection Levees, a circle of flood protection is provided for the residents and property of Southeast Louisiana.

**3.C. LONG-TERM DEBT**

**Governmental Activities**

As of June 30, 2002, the governmental long-term debt of the East Jefferson Levee District consists of the following:

Account Component Abstracts	\$	%
Current portion		
Maturity portion	<u>150,004</u>	
Total Governmental activity debt	<u>\$ 150,004</u>	

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2002:

Type of Debt	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
Governmental Activities: Account Component Abstracts	<u>\$ 142,029</u>	<u>\$ 109,218</u>	<u>\$ -91,575</u>	<u>\$ 259,672</u>
Total Inverval Long Term Debt	<u>\$ 142,029</u>	<u>\$ 109,218</u>	<u>\$ -91,575</u>	<u>\$ 259,672</u>

**NOTE 4 - OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

**Pension Plan**

Substantially all of the employees of the East Jefferson Levee District are members of the Louisiana State Employees Retirement System ("LESRS"), a multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full-time employees are eligible to participate in the System. Inactive non-union employees with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$500 plus 2.5% of their highest consecutive 36-month average salary multiplied by their years of credited service.

Union employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, union employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report

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may be obtained by writing to the Louisiana State Employees' Retirement System, P. O. Box 44103, Baton Rouge, LA 70804 or by calling (800) 234-5000.

Members are required by state statute to contribute 7.5% of gross salary, and the East Jefferson Levee District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal years ended June 30, 2002 and 2001, increased to 15% of annual covered payroll from the 12.6% required in fiscal year ended June 30, 2000. The District's contributions to the System during the fiscal years ended June 30, 2001, 2002, and 2003, were \$197,925, \$196,736, and \$184,412, respectively, equal to the required contribution. Under present statutes, the East Jefferson Levee District does not guarantee any of the benefits generated by the system.

**Postemployment Health Care and Life Insurance Benefits**

The East Jefferson Levee District provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the East Jefferson Levee District's employees become eligible for these benefits if they reach normal retirement age while working for the East Jefferson Levee District. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the employer and by the East Jefferson Levee District. The East Jefferson Levee District recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2003, the cost of retiree benefits for ten retirees totaled \$52,584.

**Deferred Compensation Plan**

The Louisiana Public Employees Deferred Compensation Plan (the Plan) was adopted by the Louisiana Deferred Compensation Commission effective September 15, 1992. The plan was established in accordance with Louisiana Revised Statutes 43:1581 through 43:1508 and section 457 of the Internal Revenue Code of 1986, as amended, for the purpose of providing supplemental retirement income to employees by permitting them to defer a portion of compensation to be invested and distributed in accordance with the terms of the plan.

Effective January 1, 1999, the Commission repealed the Plan in its entirety. Prior to January 1, 1999, all deferred compensation, property and rights purchased with deferred compensation and income or earnings attributable to deferred compensation, property or rights shall constitute assets of the State of Louisiana and remain (and made available to a participant or beneficiary) the property of the State of Louisiana, subject only to the status of the general creditors of the State of Louisiana. Effective January 1, 1999, all compensation deferred under the Plan, all property and rights purchased with such amounts and all income attributable to such amounts, property or rights shall be held for the exclusive benefit of participants and their beneficiaries. The maximum amount of compensation which may be deferred during a calendar year shall not exceed the lesser of 50% of a participant's individual income or \$1,500.

Contributions to the Plan by employees totaled \$1425 for the year ended June 30, 2002. The East Jefferson Levee District does not contribute to the Plan.

**4.B. LEVEE IMPROVEMENT PROJECTS**

The East Jefferson Levee District is a 50% participant in the Individual Levee Improvement project. The hardware protection project involves the reshaping and heightening of the Lakefront levee, and construction of flood walls atop the 17<sup>th</sup> Street canal levee and the levee separating Jefferson and St. Charles Parishes.

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**4.C. JOINT VENTURE**

There exists a joint agreement between the District and the Greater New Orleans Expressway Commission. The agreement is for the Greater New Orleans Expressway Commission to provide police communication services. The services will be provided for an annual fee not to exceed \$49,200 payable by the District in equal monthly installments of \$4,100. The agreement is for a primary term equal to thirty-six (36) months beginning April 15, 1999. However, either party may terminate this agreement at any time by giving thirty (30) days prior written notice to the other party of its intent to terminate this agreement. The agreement was made under the authority of article VII Section 5 of the Louisiana Constitution, the Local Service Law, and LRS 50:1321, that a political subdivision may exercise and perform any authorized power and function with cooperation with another political subdivision. The District's expenditure for the year ended June 30, 2002 relating to this joint agreement was \$49,200.

**4.D. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the East Jefferson Levee District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

**4.E. RISK MANAGEMENT**

The East Jefferson Levee District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and life, and natural disasters. The East Jefferson Levee District manages these various risks of loss as follows:

Type of loss	Method Managed	Risk Retained
Theft, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool.	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the East Jefferson Levee District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**Public Entity Risk Pool**

The East Jefferson Levee District participates in the Louisiana State Office of Risk Management (risk entity pool), which is responsible for negotiating, administering and settling all claims including all loss claims against the East Jefferson Levee District.

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**4.B. COMMITMENTS AND CONTINGENCIES**

**Contingencies**

**Litigation**

The East Jefferson Levee District is a defendant in lawsuits involving the District's right-of-way and civil damages. The District's legal counsel has reviewed all claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the District. The legal counsel is of the opinion that liability from suits is questionable as insurance coverage appears adequate and that no significant monetary liability is contemplated at this time or it is too early to render an opinion regarding suits. The liability amount, if any, cannot be reasonably estimated at this time.

**Sexual Harassment**

On September 25, 2000, the Office of State Inspector General issued a report on an investigation into sexual harassment charges against the former executive director. The State Inspector General concluded:

- That the former executive director engaged in inappropriate conduct with three female employees while he was serving as director of the East Jefferson Levee District. Although the board set up a program for training on sexual harassment, the executive director did not attend.
- The East Jefferson Levee District does not have written policies and procedures on sexual harassment in place.

The female employees subsequently filed a lawsuit and it is uncertain if the District has any potential liability.

**4.C. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1997 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 48:586, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per meeting and not in excess of \$2,700 per year (\$2,700), plus actual expenses.

The Board President, Mr. Glenn J. Rogerson, is paid a monthly salary of \$1,000 in lieu of per diem during his term in office, as authorized by R.S. 48:586.

<u>Board Member</u>	<u>Salary</u>	<u>Amount</u>
Glenn J. Rogerson	\$ 12,000	
Ronald D'Almeida		\$ 2,700
Walter Duhon		2,700
Patrick Desrosiers		2,700
F. J. Walsh		2,700
Total	<u>\$ 12,000</u>	<u>\$ 8,800</u>

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## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GAAP but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules – General Fund

**EAST TOWNSEND TOWN DISTRICT**  
**BUDGETARY COMPARISON STATEMENTS - GENERAL FUND**  
**YEAR ENDING JUNE 30, 2003**

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Total		
<b>Revenues:</b>				
Taxes:				
Ad valorem, net	2,771,400.00	\$ 3,815,000.00	\$ 3,862,466.23	\$ 47,466.23
Intergovernmental:				
State revenue sharing	442,000.00	415,000.00	414,145.00	(850.00)
Use of moneys and property -				
interest earnings	465,000.00	390,000.00	328,896.87	(66,103.13)
Rent/fees/income:				
Contract earnings	30,000.00	30,000.00	31,000.74	1,000.74
Other	1,000.00	5,000.00	32,346.61	31,346.61
Sale of surplus property	1,000.00	5,000.00	32,500.82	31,500.82
<b>Total Revenues</b>	<b>4,711,400.00</b>	<b>5,470,000.00</b>	<b>5,627,866.47</b>	<b>157,866.47</b>
<b>Expenditures:</b>				
Current:				
Administrative	670,750.00	475,000.00	494,489.62	(81,189.62)
Energy maintenance	1,084,000.00	1,050,000.00	1,233,520.83	188,670.83
Police	1,875,000.00	1,875,000.00	1,845,875.13	30,124.87
Non-capitalized improvements	2,900,000.00	1,950,000.00	2,091,199.26	141,199.26
Capital outlay	330,000.00	331,000.00	334,471.06	3,471.06
<b>Total Expenditures</b>	<b>6,759,750.00</b>	<b>5,281,000.00</b>	<b>5,999,555.91</b>	<b>668,555.91</b>
<b>Amount of Reserve (Dispositional)</b>	<b>(2,048,350.00)</b>	<b>(791,000.00)</b>	<b>78,467.62</b>	<b>869,667.62</b>
<b>Final Balance - June 30, 2003</b>	<b>\$ 5,549,450.00</b>	<b>\$ 6,271,012.00</b>	<b>\$ 6,377,154.47</b>	<b>\$ 806,142.47</b>
<b>RF 290 (MAY 2003 - JUNE 30, 2003)</b>	<b>\$ 4,112,388.00</b>	<b>\$ 3,886,119.00</b>	<b>\$ 3,883,181.09</b>	<b>\$ 3,937.91</b>

**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

*Leroy J. Schatz*  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board Members of  
East Jefferson Levee District  
State of Louisiana  
Houma, Louisiana

We have audited the basic financial statements of the EAST JEFFERSON LEVEE DISTRICT, a component unit of the State of Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated July 30, 2002. We conducted our 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, and the *Louisiana Governmental Audit Guide*.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the East Jefferson Levee District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and risk to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material

in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Larry J. Liberty*

Certified Public Accountant, CPAE

*Beverly M. Ryall*

Certified Public Accountant

July 30, 2012

**EAST JEFFERSON LEVEE DISTRICT  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2002**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of East Jefferson Levee District.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance were disclosed during the audit of the basic financial statements.
4. There were no federal awards received by East Jefferson Levee District.

**B. FINDINGS—FINANCIAL STATEMENTS AUDIT**

**NONE**

**EAST JEFFERSON LEVEE DISTRICT  
RESOLUTION OF FISCAL YEAR FINDINGS  
YEAR ENDED JUNE 30, 2002**

***Noncompliance***

**2001-2 Compensation of Board Members Reported as Contract Labor**

***Condition:***

Per diem payments made to board members are being reported to the Internal Revenue Service on Form 1099 instead of Form W-2.

***Criteria:***

In 1997, the Office of the Treasurer modified all boards and commissions that based upon a directive from the Internal Revenue Service that all per diem payments were considered wages and the commissioners/board members were considered employees for tax reporting purposes. Therefore, these wages were subject to tax withholdings.

***Action Taken:***

On October 3, 2001, management filed Form 8879 "Request of Worker Status for Purposes on Federal Employment Taxes and Income Tax Withholding" with the Internal Revenue Service. A response was issued by IRS on May 29, 2002, found that board members are classified within the definition of "employee" and their per diem payments should be reported as such. Consequently, management has decided to start reporting each per diem as wages effective July 1, 2002.

***Noncompliance and Internal Control***

**2001-3 Per Diem Payments Made to Board Members without Adequate Documentation**

***Condition:***

Inadequate controls were being implemented to document the attendance of board members at meetings other than regular board meetings where district business was being conducted. We found 14 unsubstantiated reimbursements for one board member for which payments were made. These activities were later substantiated during our audit. We also found an irregularity where board members were being paid for three meetings a month when they attended any number from 0 to 6 in a month.

***Criteria:***

Per diem payments are authorized by IRS 98.508 and must be fully documented before payment is made.

***Action Taken:***

Procedures and policies were changed and all reimbursement requests are being properly documented and authorized.

## **Noncompliance**

### **2001-4 Sexual Harassment Policies and Procedures Not Adopted**

#### **Condition:**

An investigation by the Office of State Inspector General issued on September 15, 2000, found that did not have written policies and procedures on sexual harassment in place.

#### **Criteria:**

Fair Labor Standards Act requires all businesses to adopt written policies and procedures on sexual harassment in the workplace, adequately train all employees and supervisors, and enforce the procedures.

#### **Action Taken:**

On November 14, 2000, management adopted a "Non-Discrimination Policies & Practices" which requires all commissioners and employees to attend a seminar once every three years.

**SUPPLEMENTAL INFORMATION REQUIRED BY**  
**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the East Jefferson Levee District's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

*Leroy J. Choate*  
Certified Public Accountant, CPA# 1188

P. O. Box 158  
Covington Springs, LA 70027-0158  
225/667-3708  
Fax: 225/667-3535

and

*Beverly A. Ryall*  
Certified Public Accountant

7426 Prosser Ln.  
Baton Rouge, LA 70817  
225/752-1447  
Fax: 225/752-1347

**INDEPENDENT AUDITORS' REPORT ON  
THE ANNUAL FINANCIAL REPORT TO THE  
STATE OF LOUISIANA, DIVISION OF ADMINISTRATION  
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

**Board Members of  
East Jefferson Levee District  
State of Louisiana  
Harahan, Louisiana**

Our report on the audit of the basic financial statements of the EAST JEFFERSON LEVEE DISTRICT as of and for the year ended June 30, 2002, appears on Page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Annual Financial Report as of and for the year ended June 30, 2002, is prepared for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Leroy J. Choate*  
Certified Public Accountant, CPA#

*Beverly A. Ryall*  
Certified Public Accountant

July 30, 2002

FINANCIAL INFORMATION REQUIRED BY DIVISION  
OF ADMINISTRATION, OFFICE OF STATEWIDE REPORTING  
AND ACCOUNTING POLICY

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
JUNE 30, 2002

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
ANNUAL FINANCIAL STATEMENTS  
JUNE 30, 2002**

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STATE OF LOUISIANA  
 Annual Financial Statements  
 Fiscal Year Ending June 30, 2002

EAST JEFFERSON LEVEE DISTRICT

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

Legislative Auditor  
 P. O. Box 94097  
 Baton Rouge, Louisiana 70804-9197

**AFFIDAVIT**

Personally came and appeared before the undersigned authority, Glenn J. Berggren, President of East Jefferson Levee District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of East Jefferson Levee District at June 30, 2002 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 14<sup>th</sup> day of August, 2002.

  
 Signature of Agency Official

  
 NOTARY PUBLIC

Prepared by: DUPLANTIER, HERRMANN, HOGAN, & MAHER, LLP

Title: LINDSEY J. GAUB, CPA

Telephone No.: (225) 286-8996

Date: August 5, 2002

August 9, 2000

East Jefferson Levee District  
200 Mauck Court  
Harahan, LA 70123

We have compiled the balance sheet of East Jefferson Levee District as of June 30, 2000 and the related statements of revenues and expenditures for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Division of Administration, Office of Statewide Reporting and Accounting Policy information that is the representation of management. We have not modified or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements including related disclosures are presented in accordance with the requirements of the Division of Administration, Office of Statewide Reporting and Accounting Policy, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Duplantier, Hropman, Nguyen & Baker, P.C.

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002**

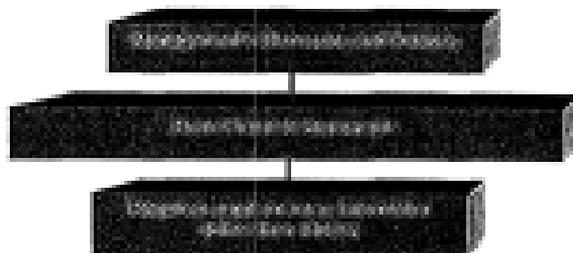
The Management's Discussion and Analysis of the East Jefferson Levee District financial performance presents a narrative overview and analysis of East Jefferson Levee District's financial activities for the year ended June 30, 2002. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the District's financial statements, which begin on page 7.

#### **FINANCIAL HIGHLIGHTS**

- The District's assets exceeded its liabilities at the close of fiscal year 2002 by \$13,726,358 which represents a 1% decrease from last fiscal year. The reason for the decrease of 1% was a result of implementing GASB Statement 34. The net assets located in capital assets were reduced as a result of recording depreciation expense. The net assets decreased by \$44,182 (or .3%).
- The District's revenue decreased \$454,133 (or 9%) and the net results from activities decreased by \$24,660. A significant factor in the reduction of the District's revenue was the declining interest rates. Also, the net results from activities decreased as a result of recognizing depreciation expense with the adoption of GASB Statement 34.

#### **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  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002

### Basic Financial Statements

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

The *Statement of Net Assets* (page 7) 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 is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Fund Net Assets* (page 8) presents information showing how the District's 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 10-11) presents information showing how the District's 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 GASS 34.

### FINANCIAL ANALYSIS OF THE ENTITY

STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2002  
(IN THOUSANDS)

	Total	
	2002	2001
Current and other assets	\$11,329	\$11,656
Capital assets	4,948	5,055
Total assets	<u>16,277</u>	<u>16,711</u>
Other liabilities	2,351	2,796
Long-term debt outstanding	--	--
Total liabilities	<u>2,351</u>	<u>2,796</u>
Net assets:		
Invested in capital assets, net of debt	4,948	5,055
Restricted	5,816	5,462
Unrestricted	2,858	1,355
Total net assets	<u>\$13,722</u>	<u>\$11,872</u>



STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002

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

	2002	2001
Land	\$ 1,550	\$ 1,550
Building and improvements	889	938
Equipment	580	586
Infrastructure	1,088	1,259
<b>Totals</b>	<b>\$ 4,248</b>	<b>\$ 4,253</b>

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

- + Vehicles and equipment \$ 177
- + Tractor equipment 57

#### DEBT

The Levee District has obligations for compensated absences of \$138,864.

#### VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$35,000 under budget and expenditures were less than budget due in part to declining interest rates for revenues. Expenditures were less because there were no major storms/hurricanes during the year. Also, the District's share for Levee projects was lower than budgeted.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- + Revenues from ad valorem taxes remaining consistent.
- + Increasing costs of employee salaries and related benefits.
- + Increasing insurance costs for liability and hospitalization costs.

The District expects that next year's results will improve based on the following :

- Improving interest rates
- Maintaining cost of employee salaries and related benefits
- Control insurance costs

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2001

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bobby Bourgoin, Executive Director.



**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2003**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ _____
Assessments - Ad valorem taxes	<u>4,049,000</u>
Use of money and property	_____
Licenses, permits, and fees	<u>6,885</u>
Other	_____
Total operating revenues	<u>4,055,885</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	<u>3,878,870</u>
Administrative	<u>800,000</u>
Depreciation	<u>347,345</u>
Amortization	_____
Total operating expenses	<u>4,955,895</u>
Operating Income(Loss)	<u>(849,911)</u>
<b>NON-OPERATING REVENUES/EXPENSES:</b>	
State appropriations	<u>414,141</u>
Intergovernmental revenues (payments)	_____
Taxes	_____
Use of money and property	<u>370,273</u>
Gain (Loss) on disposal of fixed assets	_____
Federal grants	_____
Interest income	_____
Other	<u>58,300</u>
Total non-operating revenues/(payments)	<u>842,714</u>
Income(Loss) before contributions and transfers	<u>(14,197)</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>(14,197)</u>
Total net assets - beginning (or revised)	<u>13,770,000</u>
Total net assets - ending	<u>\$ 13,755,803</u>

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

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2002

	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Component Unit X	\$ 4,800,000	\$ 0	\$ 0	\$ 0	(4,800,000)
General revenues:					
Taxes					4,048,055
State appropriations					414,145
Grants and contributions not restricted to specific programs					0
Interest					300,070
Miscellaneous					64,180
Special items					0
Transfers					0
Total general revenues, special items, and transfers					4,826,450
Change in net assets					(65,182)
Net assets - beginning					12,719,640
Net assets - ending					\$ 12,654,458

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

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2002**

<b>Cash flows from operating activities</b>	
Cash received from assessments	\$ 4,040,800
Cash payments to suppliers for goods and services	(2,281,800)
Cash payments to employees for services	(1,183,180)
Payments in lieu of taxes	_____
Interest earned—payments to other funds	_____
Grants paid to outsiders	_____
Other operating revenues/expenses	2,800
Net cash used by operating activities	<u>(800,180)</u>
<b>Cash flows from non-capital financing activities</b>	
State appropriations	414,145
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	15,180
Transfers in	_____
Transfers out	_____
Net cash provided by non-capital financing activities	<u>458,180</u>
<b>Cash flows from capital and related financing activities</b>	
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	_____
Acquisition/construction of capital assets	(138,811)
Proceeds from sale of capital assets	27,000
Capital contributions	_____
Other	_____
Net cash used by capital and related financing activities	<u>(211,811)</u>
<b>Cash flows from investing activities</b>	
Purchases of investment securities	(18,453,181)
Proceeds from sale of investment securities	15,171,881
Interest and dividends earned on investment securities	(20,221)
Net cash provided by investing activities	<u>1,298,479</u>
Net increase in cash and cash equivalents	<u>896,768</u>
Cash and cash equivalents at beginning of year	<u>1,781,814</u>
Cash and cash equivalents at end of year	<u>\$ 2,678,582</u>

The accompanying notes are an integral part of this statement.  
Statement D

**STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2002**

**Reconciliation of operating loss to net cash used by operating activities:**

Operating loss	\$	<u>(848,601)</u>
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	247,300	
Provision for uncollectible accounts	_____	
Changes in assets and liabilities:		
Increase(decrease) in accounts receivable	231,320	
Increase(decrease) in due from other funds	_____	
Increase(decrease) in prepayments	_____	
Increase(decrease) in inventories	_____	
Increase(decrease) in other assets	(57,325)	
Increase(decrease) in accounts payable	(738,431)	
Increase(decrease) in accrued payroll and related benefits	_____	
Increase(decrease) in compensated absences payable	6,854	
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in other liabilities	(135,182)	
Net cash used by operating activities	\$	<u>(608,111)</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	\$
Contributions of fixed assets	\$
Purchases of equipment on account	\$
Asset trade-ins	\$
Other (specify)	_____
_____	_____
_____	_____
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$</b>

(Continued)

The accompanying notes are an integral part of this statement.  
Statement D

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

## INTRODUCTION

The East Jefferson Levee District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute Act 716 of 1978. The following is a brief description of the operations of East Jefferson Levee District which includes the parish/parishes in which the District 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 East Jefferson Levee 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.

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

**B. BUDGETARY ACCOUNTING**

The East Jefferson Levee District utilizes the following budgetary practices:

The District prepares its budget in accordance with Louisiana Revised Statute R.S. 38:1304. The budget is prepared on an accrual basis for the General Fund and on an accrual basis for the Special Revenue Fund. The budget for the fiscal year ended on June 30, 2002 was adopted on March 20, 2002. Formal budget integration is employed as a management control device during the year for the General Fund and the Special Revenue funds.

Original approved budget - Total Expenses	\$ <u>8,728,200</u>
Amendments:	<u>(1,249,000)</u>
Final approved budget - Amended Total Expenses	\$ <u>8,577,200</u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the East Jefferson Levee District may deposit funds within a fiscal agent bank selected and designated by the Interior Emergency Board. Further, the District 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. The deposits at June 30, 2002 were secured as follows:

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)**

	Deposits in bank accounts			Total
	Cash	Certificates of Deposits	Other (Mortgages)	
Deposits in bank accounts per balance sheet	\$ 187,712	\$ _____	\$ 2,412,148	\$ 2,602,192
<b>Bank balances:</b>				
1. Deposits not collateralized with securities held by the entity or its agency in the public domain	184,243	_____	2,412,148	2,778,292
2. Collateralized with securities held by the pledging institution's trust department or agent in the public domain	_____	_____	_____	_____
3. Deposits collateralized, included by any securities held for the entity (as set in the public domain)	_____	_____	_____	_____
Total bank balances	\$ 184,243	\$ _____	\$ 2,412,148	\$ 2,778,292

**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:

1. State One	Operating Account	\$ 281,842
2. State One	Payroll Account	0
3. State One	Lease Improvement	1,200,000
4. State One	Insurance Fund	240,000
<b>Total</b>		<b>\$ 2,778,292</b>

Were uncollateralized securities (filing the description in (1) above during the year significantly greater than at June 30, 2002 (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence. **NO**

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 in the balance sheet.

Cash in State Treasury	\$ 0
Petty cash	\$ 180

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2003

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)**

**INVESTMENTS**

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The East Jefferson Levee District does maintain investment accounts as authorized by LRS 49-327B.

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.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of the schedule in the space provided.

Type of Investment	Category of Risk			Reported Amount	Fair Value
	1	2	3		
Reinsurance agreements					
U. S. Government securities	\$ 2,028,478	--	--	2,028,478	2,176,494
Common & preferred stock					
Commercial paper					
Corporate bonds					
Other (describe)					
Total categorized investments	<u>2,028,478</u>	<u>---</u>	<u>---</u>	<u>2,028,478</u>	<u>2,176,494</u>
Investments not categorized (describe separately)					
Total investments				<u>2,028,478</u>	<u>2,176,494</u>

**D. CAPITAL ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net assets of the entity and are capitalized at cost. Depreciation of all depreciable 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.

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

**B. CAPITAL ASSETS (Continued)**

	December 31, 2021						
	Balance 12/31/20	Addition	Transfer*	Retirements	Balance 12/31/2021	Plus Period Adjustment	Balance 12/31/2021
<b>Capital assets not being depreciated</b>							
Land	1,091,144	--	--	--	1,091,144	--	1,091,144
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collection	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
<b>Total capital assets not being depreciated</b>	<b>1,091,144</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,091,144</b>	<b>--</b>	<b>1,091,144</b>
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	2,000,000	294,121	--	--	2,294,121	2,142,830	2,049,493
Less accumulated depreciation	--	(750,000)	--	--	(750,000)	(8,128,130)	(8,878,130)
Intangible, leases, and software	1,854,000	214,121	--	--	2,068,121	2,788,130	330,907
<b>Buildings and improvements</b>							
Less accumulated depreciation	1,854,000	(25,400)	--	--	1,828,600	(880,130)	(948,730)
Total buildings and improvements	1,854,000	(25,400)	--	--	1,828,600	200,130	203,171
<b>Depreciable land improvements</b>							
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
<b>Intangibles</b>							
Less accumulated depreciation	--	(84,000)	--	--	(84,000)	(80,000)	(164,000)
Total intangibles	--	(84,000)	--	--	(84,000)	1,968,130	1,884,130
<b>Total other capital assets</b>	<b>4,008,000</b>	<b>(565,279)</b>	<b>--</b>	<b>--</b>	<b>3,442,721</b>	<b>(2,000,000)</b>	<b>1,442,721</b>
<b>Capital Asset Retirements</b>							
Capital assets not being depreciated	1,091,144	--	--	--	1,091,144	--	1,091,144
Other capital assets, net	4,008,000	244,001	--	--	4,252,001	1,807,130	2,444,871
Total cost of capital assets	5,099,144	244,001	--	--	5,343,145	1,807,130	3,536,015
Less accumulated depreciation	--	(24,128)	--	--	(24,128)	(2,488,130)	(2,512,258)
<b>Capital assets, net</b>	<b>5,099,144</b>	<b>(24,128)</b>	<b>--</b>	<b>--</b>	<b>5,075,016</b>	<b>(681,000)</b>	<b>4,394,016</b>

\* Amount transferred to other accumulated projects completed or construction program 6-30-2021 were not recorded retroactively against construction file pages.

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

F. RESTRICTED ASSETS    N/A

G. LEAVE

1. COMPENSATED ABSENCES

The East Jefferson Levee District has the following policy on annual and sick leave:

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 on their leave 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 650, is recognized as a current year expenditure in the General 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 the general long-term obligations account group.

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 June 30, 2002 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section 650.105 is estimated to be \$138,884. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the District are members of the La State Employees Retirement System (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.

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

## II. RETIREMENT SYSTEM (Continued)

All full-time District 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-month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 10 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 250-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the District is required to contribute at an actuarially determined rate as required by R.S. 11:302. The contribution rate for the fiscal years ended June 30, 2002 and 2001, increased to 10% of annual covered payroll from the 12.4% required in fiscal years ended June 30, 2001 and 2000, respectively. The District contributions to the System for the years ending June 30, 2001, 2001, and 2000, were \$197,354, \$281,482, and \$184,412, respectively, equal to the required contributions for each year.

## I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GAAP 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for these benefits.
3. The cost of these benefits recognized for the period, unless the costs are not readily determinable.\*\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*\*If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)**

Substantially all District employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the District. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the District. For 2001, the cost of providing these benefits for the 10 retirees totaled \$52,394.

The East Jefferson Levee District provides certain continuing health care and life insurance benefits for its retired employees. Substantially all District employees become eligible for these benefits if they reach normal retirement age while working for the District. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the District. The District recognizes the cost of providing these benefits (District's portion of payments) as an expenditure when paid during the year, which was \$312,385 for the year ended June 30, 2002. The District's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2002 the costs of 10 retiree benefits totaled \$52,394.

**J. LEASES**      **NOA**

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2002:

	Year ended June 30, 2002				Amounts due within one year
	Balance June 30, 2001	Additions	Reductions	Balance June 30, 2002	
<b>Bonds and notes payable:</b>					
Notes payable	\$	\$	\$	\$	\$
Refinancement contracts payable					--
Bonds payable					--
Total notes and bonds	--	--	--	--	--
<b>Other liabilities:</b>					
Contracts payable					--
Compensated absence payable	142,000	16,804		158,804	
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	142,000	16,804	--	158,804	--
<b>Total long-term liabilities</b>	<b>142,000</b>	<b>16,804</b>	<b>--</b>	<b>158,804</b>	<b>--</b>

STATE OF LOUISIANA  
 EAST JEFFERSON LEVEE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

**I. LITIGATION**

The Levee District's legal adviser estimates that potential claims not covered by insurance would not materially affect the financial statements or is unable to estimate the effect on the financial statements.

M. RELATED PARTY TRANSACTIONS	N/A
N. ACCOUNTING CHANGES	N/A
O. IN-KIND CONTRIBUTIONS	N/A
P. DEFERRED ISSUES	N/A
Q. COOPERATIVE ENDEAVORS	N/A
R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)	N/A
S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS	N/A
T. SHORT-TERM DEBT	N/A
U. DISAGGREGATION OF RECEIVABLE BALANCES	N/A
V. DISAGGREGATION OF PAYABLE BALANCES	N/A
W. SUBSEQUENT EVENTS	N/A
X. SEGMENT INFORMATION	N/A
Y. DUE TO/DUE FROM AND TRANSFERS	N/A
Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS	N/A

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets for June 30, 2001.

Fund balance July 1, 2001, previously reported	Adjustments 1,611.0	Beginning net assets, July 1, 2000, As restated
\$ 8,812,735	\$ 4,912,885	\$ 13,725,620
<u>8,812,735</u>	<u>4,912,885</u>	<u>13,725,620</u>

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

(NOTE: Net Assets at July 1, 2000, previously reported, must correspond to Net Assets at June 30, 2000, per the information received from OSLAF.)

The fund balance at July 1, 2001 that was previously reported was comprised of the following:

General Fund	\$ 3,595,238
Special Revenue Fund	5,062,158
	<u>\$ 8,657,396</u>

The adjustment to restate the beginning fund balance was a result of implementing GASB 34. The following represents the amounts that comprise the adjustment of \$4,912,885.

Adjustment to record amounts recorded in the General Long-Term Debt Account Group for compensated streamers	\$ (142,000)
Adjustment to record capital assets net of depreciation that were previously recorded in the General Fixed Assets Account Group as well as recording infrastructure.	<u>5,054,885</u>
Adjustment	<u>\$ 4,912,885</u>

The amount of \$5,054,885 was determined as follows:

Amount previously reported in the General Fixed Asset Account Group	\$ 6,297,728
Retirement of assets as a result of using the capitalization threshold of \$5,000	(1,042,896)
Recording of accumulated depreciation of capital assets through June 30, 2001	(1,899,134)
Recording of infrastructure assets (net of accumulated depreciation to the amount of \$358,000) through June 30, 2001	<u>1,893,880</u>
	<u>\$ 5,054,880</u>

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 1992

<u>NAME</u>	
Walter Dobbie	\$ 2,700
Ronald Ziblich	2,700
Patrick Bouska	2,700
P. J. Hahn	2,700
Glen Bergeson	12,000
TOTAL	\$ 22,800

STATE OF LOUISIANA  
EAST JEFFERSON LEVEE DISTRICT  
SCHEDULE OF STATE FUNDING  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Description of Funding</u>	<u>Amount</u>
1.	State Revenue Sharing	\$414,143
	Total	\$414,143







STATE OF LOUISIANA  
 EAST JEFFERSON LEVEE DISTRICT  
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION  
 FOR THE YEAR ENDED JUNE 30, 2002

NOT APPLICABLE

Fiscal Year Ending:	Principal	Interest
2003	\$ _____	\$ _____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008-2012	_____	_____
2013-2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA  
 EAST JEFFERSON LEVEE DISTRICT  
 SCHEDULE OF CAPITAL LEASE AMORTIZATION  
 FOR THE YEAR ENDED JUNE 30, 2012

NOT APPLICABLE

2005				--
2006				--
2007				--
2008-2012				--
2013-2017				--
2018-2022				--
2023-2027				--
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	--	--	--	--