

**SOUTHEAST LOUISIANA FLOOD
PROTECTION AUTHORITY - EAST**

Annual Financial Report

**Period from Inception
January 1, 2007 to June 30, 2007**

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**EAST JEFFERSON
LEVEE DISTRICT**

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Southeast Louisiana Flood Protection Authority - East
c/o East Jefferson Levee District
203 Plauche Court
Harahan, Louisiana 70123
(504) 736-7050

GOVERNING BOARD

COMMISSIONER

Timothy P. Doody, President
Abril B. Sutherland, Vice President
John M. Barry, Secretary
George Losonsky, Treasurer
David P. Barnes, Jr.
Stradford A. Goins
Thomas L. Jackson
Larry A. McKee
Sara Lee St. Vincent
Louis E. White
Ricardo Pineda

REPRESENTING

St. Bernard Parish
St. John the Baptist Parish - East
Orleans Parish - East
At-Large
St. Tammany Parish
At-Large
Jefferson Parish - East
At-Large
St. Charles Parish - East
Tangipahoa Parish
At-Large

Frances L. Campbell, Interim Regional Director

FINANCIAL SECTION

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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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AMERICAN INSTITUTE OF CPAs
LOUISIANA SOCIETY OF CPAs
GOVERNMENT FINANCE
OFFICERS ASSOCIATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board Members of
Southeast Louisiana Flood Protection Authority - East
State of Louisiana
Harahan, Louisiana

I have reviewed the accompanying basic financial statements of the governmental-type activities of Southeast Louisiana Flood Protection Authority - East, as of June 30, 2007 and from inception January 1, 2007 to June 30, 2007, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards* issued by the Comptroller General of the United States of America. All information included in these basic financial statements is the representation of the management of Southeast Louisiana Flood Protection Authority - East.

A review consists principally of inquiries of the Authority's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated September 12, 2007, on the results of my agreed-upon procedures.

The Management's Discussion and Analysis on pages 5 through 6, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

I have also compiled the Authority's annual financial report to the Division of Administration as of June 30, 2007 and for the period January 1, 2007 to June 30, 2007 starting on page 22.

George F. Delaune, CPA

September 12, 2007

Southeast Louisiana Flood Protection Authority - East

C/O East Jefferson Levee District
203 Plauche Street
Harahan, Louisiana 70123
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Management's Discussion and Analysis

As management of the Southeast Louisiana Flood Protection Authority - East, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Authority's basic financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

- The Authority's net assets (unrestricted funds) amounts to \$118,010.
- The Authority's received \$250,000 in state grants during the period.

USING THIS ANNUAL REPORT

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and *notes to the financial statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's *net assets* changed during the most recent fiscal year. All changes in *net assets* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Government-wide Financial Statements* can be found on pages 6 and 7 of this report.

Fund Financial Statements. The *Fund Financial Statements* present financial information about the Authority in a more traditional manner. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund - governmental.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial

statements, governmental fund financial statements focus on a near-term view of the Authority's financial resources available for spending. The modified accrual basis of accounting is utilized in preparation of these statements, which may be useful in evaluating the Authority's near-term requirements.

The basic governmental fund financial statements can be found on pages 8 and 9 of this report.

FINANCIAL ANALYSIS

The Authority's total assets are composed of cash.

Net assets total \$118,010, representing unrestricted net assets which the Authority can use for any purpose to coordinate flood protection of the area supervised by the Authority.

NET ASSETS

Current and other assets	
Total assets	\$ 150,920
	<u>\$ 150,920</u>
Liabilities	
Total liabilities	\$ 32,910
	<u>32,910</u>
Net assets -	
Unrestricted	118,010
Total liabilities and net assets	<u>\$ 150,920</u>

As illustrated by the table "Changes in Net Assets" below, the Authority's revenues exceeded expenses by \$118,010.

CHANGES IN NET ASSETS

Revenues:	
Intergovernmental -	
State grant	\$ 250,000
Nonoperating -	
Interest earnings	340
Total revenues	<u>250,340</u>
Expenses:	
Operating	
Total expenses	<u>132,330</u>
	132,330
Change in net assets	<u>\$ 118,010</u>

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact Frances L. Campbell, Interim Regional Director of the Southeast Louisiana Flood Protection Authority - East, Harahan, Louisiana at (504) 736-7050.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET ASSETS
 June 30, 2007

ASSETS		
Current Assets		
Cash		\$ 150,920
		<hr/>
TOTAL ASSETS		\$ 150,920
		<hr/> <hr/>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable		\$ 32,910
Total Liabilities		<hr/> 32,910
Net Assets		
Unrestricted		<hr/> 118,010
Total Net Assets		<hr/> 118,010
TOTAL LIABILITIES AND NET ASSETS		\$ 150,920
		<hr/> <hr/>

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 From Inception January 1, 2007 to June 30, 2007

	Expenses	Program Revenues		Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 132,330	\$ 0	\$ 250,000	\$ 117,670
Total Governmental Activities	<u>\$ 132,330</u>	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 117,670</u>
General Revenues:				
Interest earnings				340
Total General Revenues				<u>340</u>
Change in Net Assets				118,010
Net Assets at Beginning of Period				0
Net Assets at End of Period				<u>\$ 118,010</u>

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2007

ASSETS		
Cash		\$ 150,920
		<u>150,920</u>
TOTAL ASSETS		\$ 150,920
		<u>150,920</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable		\$ 32,910
Total Liabilities		<u>32,910</u>
Fund Balance		
Unrestricted		118,010
Total Fund Balance		<u>118,010</u>
TOTAL LIABILITIES AND FUND BALANCE		\$ 150,920
		<u>150,920</u>

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
 From Inception January 1, 2007 to June 30, 2007

Revenues	
Intergovernmental	\$ 250,000
Interest earned	340
Total Revenues	<u>250,340</u>
Expenditures	
Commissioners per diem	19,419
Commissioners travel	12,338
Salaries and wages	31,048
Employee benefits	1,676
Office travel	1,223
Occupancy expenses	5,491
Office expenses	2,352
Insurance	48,643
Dues	3,500
Publishing	689
Professional services	778
Capital outlays	5,173
Total Expenditures	<u>132,330</u>
Net Change in Fund Balance	118,010
Fund Balance, Beginning of Year	<u>0</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 118,010</u></u>

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Southeast Louisiana Flood Protection Authority - East ("Authority") was created as a political subdivision of the State of Louisiana by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:330.1. The Authority's primary purpose is regional coordination of flood protection of the following levee districts and parts of levee districts and parishes:

- ◆ East Jefferson Levee District
- ◆ Lake Borgne Basin Levee District
- ◆ That portion of the Orleans Levee District on the east side of the Mississippi River
- ◆ St. Tammany Levee District
- ◆ Tangipahoa Levee District
- ◆ That portion of St. Charles Parish lying east of the Mississippi River
- ◆ That portion of St. John the Baptist Parish lying east of the Mississippi River

In order to promote such coordination over parochial concerns, approval of a proposed project (program, engineering activities) shall require the favorable vote of at least two-thirds of the total voting membership of the board, regardless of whether the project is limited to one or more levee districts within the territorial jurisdiction of the Authority.

"Project" means a program or engineering activity, either new or continuing that will be planned and implemented with the primary goal being the reduction of existing flood damages. "Program" means the flood control system which may include, but not be limited to, floodproofing, waterproofing, ring dikes, relocation assistance, information programs, formulation of codes, and engineering studies. "Engineering activities" means functions which may include, but not be limited to, dams, reservoirs, levees, dikes, floodwalls, diversions, channel alterations such as snagging and channel straightening, or site detention, spillways, and land treatment.

The Authority is governed by a board of commissioners, consisting of eleven members, of whom there shall be at least, and not more than, one member from each parish within the territorial jurisdiction of the Authority. The members shall be appointed by the governor from nominations submitted by the nominating committee as follows:

1. Five members who shall either be an engineer or a professional in a related field such as geotechnical, hydrological, or environmental science. Of the five members, one member shall be a civil engineer, and one member shall be a geologist or a hydrologist
2. Three members who shall be a professional in a discipline other than that occurring in Item 1, with at least ten years of professional experience in that discipline. One of these members shall be a resident of St. Charles or St. John the Baptist Parishes
3. Three members who shall be at-large. One of these members shall be a resident of St. Charles or St. John the Baptist Parishes

Regular monthly meetings of the board shall be convened on a rotating basis at a place to be determined by the board in a levee district under the jurisdiction of the Authority. The Authority's office is located in Harahan, Louisiana at the office of the East Jefferson Levee District.

The Authority's operations are funded entirely through state grants.

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the Southeast Louisiana Flood Protection Authority - East because it derives its operating revenues from state appropriations. The accompanying basic financial statements present information only as to the transactions of Southeast Louisiana Flood Protection Authority - East.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

1. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities), report information about the Authority as a whole.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2. Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Authority considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period. For certain grants for which collectibility is assured, the Authority uses a period greater than 60 days. Expenditures generally are recorded when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Major Fund

The Authority's General Fund is used to account for all financial activity associated with the primary purpose for which the Authority was created. Since this is the only fund, it is the Authority's major fund.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

D. Other Significant Accounting Policies

Assets, Liabilities, and Equity

Cash

For the purpose of the statement of cash flows, "cash and cash equivalents" include all demand, pooled cash account, and certificates of deposit with an original maturity of three months or less. Additional cash disclosures are presented in Notes 2.

Receivables

All accounts receivable are shown net of an allowance for uncollectible amounts.

Inventories

Inventories for supplies are immaterial and are recorded as expenses when purchased.

Capital Assets

Capital assets, which include property, plant and equipment assets, are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. At June 30, 2007, the Authority has no items that match the definition of capital assets.

Compensated Absences

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

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken. The cost of leave privileges applicable to general government operations not requiring current resources at June 30, 2007, is zero.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH

At June 30, 2007, the Authority has cash (book balances) shown on the balance sheet of \$150,920.

State statutes authorize the Authority to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

At June 30, 2007, cash representing collected bank balances are secured from risk as follows:

Demand deposits	\$	159,642
Secured by federal deposit insurance		100,000
Secured by collateralized pledge of securities		59,642
Unsecured/uncollateralized	\$	0

Cash is stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - PENSION PLAN

Effective May 10, 2007, all full-time employees of the Authority are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer, 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. Benefits vest with ten years of service. Vested employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service. A participants basic annual retirement benefit is equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. The maximum annual retirement benefit may not exceed the lesser of 100% of a member's average compensation or certain specified dollar amounts of actuarially determined monetary limits depending upon the member's age at retirement. As an alternative to the basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death. 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. That report may be obtained by writing to the Louisiana State Employees' Retirement System.

Description of Funding Policy -

Covered employees are required by State statute to contribute 7.5% of their gross salary to the System and the Authority contributes an additional percentage of 19.1%. Contributions to the System during fiscal year ended June 30, 2007, was funded through employee and employer contributions. Employer contribution was \$705.57. The total payroll of the Authority, fully covered by the system, was \$3,694.08. Under present statutes, the Authority does not guarantee any of the benefits granted by the system.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 4 - STATE GRANTS

The Authority receives funding from the Louisiana Department of Environmental Protection to carry on the purpose for which the Authority was organized. For the period January 1, 2007 to June 30, 2007, the Authority received \$250,000.

NOTE 5 - RISK RETENTION

The Authority is exposed to various risks associated with actions and decisions of the Board. The Authority acquired carries commercial insurance on March 16, 2007, in the form of public officials and employment practices liability. There were no claims filed since March 16, 2007.

NOTE 6 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the Authority at June 30, 2007.

NOTE 7 - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal year ended June 30, 2007.

NOTE 8 - 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 1979 Session of the Louisiana Legislature. Authority members are paid per diem for each meeting they attend, as authorized by Louisiana Revised Statute 330.1 L.

The amounts paid to Board members during the years are as follows:

Timothy P. Doody	\$	0
Abril B. Sutherland		2,185
John M. Barry		1,817
George Losonsky		1,817
David P. Barnes, Jr.		2,231
Stradford A. Goins		2,599
Thomas L. Jackson		2,438
Larry A. McKee		2,537
Sara Lee St. Vincent		0
Louis E. Wittie		2,438
Ricardo Pineda		1,357
	<u>\$</u>	<u>19,419</u>

NOTE 9 - COST SHARE AGREEMENT

On June 21, 2007, the Authority entered into an Interagency Agreement with East Jefferson Levee District to share the services and salary of Frances L. Campbell as the Executive Director of EJLD and the Interim Regional Director of the Authority. The Agreement allocates the monthly salary and benefits of the Interim Regional Director - 24% to EJLD and 76% to the Authority. At June 30, 2007, the Authority owed reimbursement to EJLD \$28,586.01.

OTHER REPORT REQUIRED BY
LOUISIANA GOVERNMENTAL AUDIT GUIDE

The following pages contain a report on the *Louisiana Attestation Questionnaire* which represents managements responsibility for the Authority's compliance with laws and regulations specified in the questionnaire and the effectiveness of the Authority's internal control over compliance with those laws and regulations. This report is based solely on the agreed-upon procedures applied to the representations made in the questionnaire and includes, where appropriate, any findings as a result of applying the agreed-upon procedures.

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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

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LOUISIANA SOCIETY OF CPAs
GOVERNMENT FINANCE
OFFICERS ASSOCIATION

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members of
Southeast Louisiana Flood Protection Authority - East
State of Louisiana
Krotz Springs, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Southeast Louisiana Flood Protection Authority - East and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Southeast Louisiana Flood Protection Authority - East's compliance with certain laws and regulations from inception January 1, 2007 to June 30, 2007 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$20,000 or public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for any such payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Southeast Louisiana Flood Protection Authority - East and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

George F. Delaune, CPA

September 12, 2007

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employees included on the list provided by management [agreed-upon procedure (3)] were not included on the listing obtained in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

A budget for the six month period ended June 30, 2007, was not adopted.

6. Trace the budget adoption and amendments to the minute book.

A budget for the six month period ended June 30, 2007, was not adopted.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

A budget for the six month period ended June 30, 2007, was not adopted.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the 6 selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Determine if payments were properly coded to the correct fund and general ledger account; and

Payments were properly coded to the correct fund. Of the 6 selected disbursements, 2 were not coded to the correct general ledger account; however, these have been corrected.

- c. Determine whether payments received approval from proper authorities.

All payments were properly approved by the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Southeast Louisiana Flood Protection Authority - East is only required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted, and are kept on file in their office.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

George F. Delaune, CPA, APC
7663 Anchor Drive
Ventress, LA 70783

In connection with your review of our financial statements as of **June 30, 2007** and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of **September 12, 2007**.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Francis L. Campbell Interim Regional Director 9/12/07 Date
Imray P. Deady President 9/12/07 Date