

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
PAGE 2

The auditor's report was not completed within this six-month period.

The auditor for Capital Area Ground Water Conservation District was approved on November 17, 1997 for the fiscal year ending June 30, 1999. In late November, the auditor developed a heart problem, and on December 21, 1997 had open heart surgery. The surgery went well but the auditor was not in a physical condition that would allow him to complete the audit by December 31, 1997. The auditor completed the field work on February 4, 1998, and has submitted the audit report to the Legislative Auditor.

I considered this instance of noncompliance in forming my opinion on whether Capital Area Ground Water Conservation District's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated February 4, 1998, on those general purpose financial statements.

This report is intended for the information of the members of the Board of Commissioners of Capital Area Ground Water Conservation District, the Executive Director, management, the Legislative Auditor of the State of Louisiana, and the Division of Administration. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Gerald A. Walker*

Gerald A. Walker, CPA  
February 4, 1998

# GERALD A. WALKER

Certified Public Accountant

Member  
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CPA's  
Institute of Management  
Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Capital Area Ground Water Conservation District  
State of Louisiana  
Notre Dame, Louisiana

I have audited the general purpose financial statements of Capital Area Ground Water Conservation District, State of Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated February 4, 1998.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Capital Area Ground Water Conservation District is the responsibility of Capital Area Ground Water Conservation District's management. As a part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of Capital Area Ground Water Conservation District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed the following instance of noncompliance that is required to be reported under Governmental Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in Capital Area Ground Water Conservation District's 1997 financial statements.

Louisiana law requires audits of governmental entities be completed and delivered to the Legislative Auditor within six-months of the fiscal year end of the auditee.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
PAGE 2

In planning and performing my audit of the general purpose financial statements of Capital Area Ground Water Conservation District, State of Louisiana, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted no matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

This report is intended for the information of the members of the Board of Commissioners of Capital Area Ground Water Conservation District, the Executive Director, management, the Legislative Auditor of the State of Louisiana, and the Division of Administration. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Gerald A. Walker*

Gerald A. Walker, CPA  
February 4, 1998

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Capital Area Ground Water Conservation District  
State of Louisiana  
Baton Rouge, Louisiana

I have audited the general purpose financial statements of Capital Area Ground Water Conservation District, State of Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated February 4, 1998.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Capital Area Ground Water Conservation District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

## NOTES TO FINANCIAL STATEMENTS

### J. PENSION PLANS

The District does not have a pension plan. However, the Executive Director and the Administrative Assistant are members of the Louisiana State Employees Retirement System (LASERS). In addition to the employee contribution withheld at 7.0% of gross salary, the District contributes an additional 10.4% of gross salary to the Louisiana State Employees Retirement System. Contributions to the System are funded through employee and employer contributions of \$5,001 and \$5,847 respectively. The total current year payroll of the agency (all types of wages) was \$71,001 and its current year payroll covered by the retirement system was \$67,040. Under present statutes, the District does not guarantee any of the benefits granted by the retirement system.

### K. LEASES

The District leases office space under an operating lease. The monthly rental payment is \$789. Annual lease expense under the lease term is as follows. The lease expires December 31, 1997.

fiscal Year Ending	Amount
December 31, 1997	\$ 4,404

### L. LITIGATION

As June 30, 1997, there was no litigation pending against the District.

### M. COMPENSATION OF COMMISSIONERS

As provided by Louisiana Revised Statute 38:2074 (E), the commissioners shall not be compensated for their services. However, the board of commissioners may, by regulation, provide for the payment of expenses for travel outside the district on official business.

NOTES TO FINANCIAL STATEMENTS

The District has adopted a leave policy that provides that annual leave in excess of 20 days must be taken in the calendar year in which it is earned. Annual leave must be applied for by the employee and may be used only when approved by the District. Upon retirement or resignation, unused annual leave of up to 500 hours is paid to employees at the employee's current rate of pay. The employee is not paid for any unused sick leave.

The liability for unused annual leave at June 30, 1997, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section 680, is estimated to be \$4,734. The leave payable is recorded in the general fund as compensated absences.

G. TOTAL CLAIMS ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

H. RECEIVABLES

The following is a summary of receivables at June 30, 1997:

Passage fees	\$ 46,174
Parish cost sharing	-0-
Total	\$ 46,174

I. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
Furniture and Equipment	\$ 15,321	\$ -0-	\$ -0-	\$ 15,321
Weathering of Well	-0-	62,827	-0-	62,827

## NOTES TO FINANCIAL STATEMENTS

### Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

### D. BUDGET PRACTICES

Budgets are prepared and adopted by the District annually. The budget for the year ended June 30, 1997, was formally adopted by the District on June 18, 1996. The budget was not integrated into the accounting records, but was employed by the District as a management control device. The District's operations are financed with self-generated revenues and any excess of revenues over expenditures at the end of the fiscal year are retained for use in subsequent years. The budget was adopted during the fiscal year.

### E. CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 1997, the District has cash and cash equivalents totaling \$104,788 as follows:

Demand deposits	\$ 25,091
Revenue deposits	45,895
Time deposits	33,802
Total	\$ 104,788

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 of deposits with the fiscal agent. Deposits at June 30, 1997, total \$104,788 and are fully secured by federal deposit insurance, under the special rules applying to governments.

### F. ANNUAL AND SICK LEAVE

The District has the following policy related to annual and sick leave. The earning of annual and sick leave is based on the equivalent of full-time state service. It is credited at the end of each regular pay period of 80 hours of regular duty.

## NOTES TO FINANCIAL STATEMENTS

The General Fund is the principal fund and is used to account for the general operations of the District. The various fees and charges due the District are accounted for in this fund and general operating expenditures are paid from this fund. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

On September 16, 1988, Coastal Area Ground Water Conservation District entered into a contract with the Louisiana Department of Environmental Quality to drill a water well to monitor salt water intrusion into the Baton Rouge area in the 1,000 foot band. This contract is funded by a grant from the U. S. Environmental Protection Agency under Section 101(b) of the "Clean Water Act." The grant will reimburse Coastal Area Ground Water Conservation District 60% of expenditures up to \$200,000 of expenditures. The maximum amount the grant will reimburse is \$124,800.

### B. GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT

Fixed Assets are accounted for in the General Fixed Assets Account Group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. The account group is not a fund, it is concerned only with the measurement of financial position and does not involve measurement of results of operations. There are no long-term obligations at June 30, 1997.

### C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement basis applied. The General Fund and Capital Project Fund are accounted for using a flow of current financial resources measurement basis. The District's accounts are recorded on a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

#### Revenues:

Passive fees are recorded in the year earned. Interest earnings are recorded when the income is earned. Other revenues are recognized when they become measurable and available as current assets.



CAPITAL AREA GROUND-WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
For The Fiscal Year Ended June 30, 1997

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity:**

The Capital Area Ground Water Conservation District was created under the provisions of Louisiana Revised Statute 90:9031-9084 to provide for the effective administration, conservation, orderly development, and implementation of groundwater resources within the conservation district composed of the parishes of East Baton Rouge, East Feliciana, Pointe Coupee, West Baton Rouge, and West Feliciana. The District monitors the areas of groundwater within the district and provides assistance through the United States Geological Survey for the development of new sources of groundwater. The District is governed by a board of commissioners consisting of 15 members appointed by the governor.

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

GASB Codification Section 2100 has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Capital Area Ground Water Conservation District is not a component unit of the State of Louisiana, but rather is a political subdivision of the state.

**A. FUND ACCOUNTING**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues, and expenditures.



CAPITAL AND BARRONSWELL CORPORATION LIMITED  
 SOUTH ISLANDS  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES  
 IN EQUITY - ALL INFORMATIONAL FUNDS  
 For the Fiscal Year Ended June 30, 1992

	Accumulated Funds		Total Disbursements
	General Fund	Capital Project Fund	
<b>REVENUES</b>			
Property tax	\$ 176,840.00	\$	\$ 176,840.00
Grants and donations	11,548.00		11,548.00
Interest	2,700.00		2,700.00
Grants		40,288.00	40,288.00
<b>TOTAL REVENUES</b>	<u>191,088.00</u>	<u>40,288.00</u>	<u>231,376.00</u>
<b>EXPENSES</b>			
Salaries	47,848.47		47,848.47
Compensated absences	1,674.60		1,674.60
Employee benefits	9,995.81		9,995.81
Employee work-in-	188.71		188.71
Expense control	264.79		264.79
ISA II - Data Collection Agreement	48,841.41		48,841.41
ISA II - Public agreements	14,784.00		14,784.00
Office supplies	114.00		114.00
Rent	8,884.00		8,884.00
Taxes and royalties	283.00		283.00
Printing	88.00		88.00
Telephone	778.60		778.60
Insurance	2,000.00		2,000.00
Liability and other expenses	442.00		442.00
Training	995.00		995.00
Miscellaneous	380.40		380.40
Transportation		40,276.71	40,276.71
<b>TOTAL EXPENSES</b>	<u>176,820.46</u>	<u>40,276.71</u>	<u>217,097.17</u>
<b>EXCESS REVENUE OVER DISBURSEMENTS</b>	<u>14,267.54</u>	<u>(1,988.71)</u>	<u>12,278.83</u>
<b>CHANGE IN EQUITY FUNDS</b>			
Operating revenues in		49,344.00	49,344.00
Operating benefits out	(18,238.81)		(18,238.81)
<b>TOTAL CHANGE IN EQUITY FUNDS</b>	<u>(18,238.81)</u>	<u>49,344.00</u>	<u>31,105.19</u>
<b>EXCESS REVENUES AND DISBURSEMENTS EXPENSES AND OTHER CHANGES</b>	<u>42,798.47</u>	<u>0</u>	<u>42,798.47</u>
<b>FINANCING - B.V.L. 1986</b>	<u>10,280.00</u>	<u>0</u>	<u>10,280.00</u>
<b>FINANCING - B.V.L. 1991</b>	<u>\$ 29,689.53</u>	<u>\$ 0</u>	<u>\$ 29,689.53</u>

The accompanying notes are an integral part of the statement.

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT  
 STATE OF LOUISIANA  
 BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1997

	GOVERNMENTAL FUNDS GENERAL FUND	CAPITAL PROJECT FUNDS	ACCOUNT GROUP GENERAL FUND ACCOUNTS	PERCENT MEMORANDUM ONLY
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 24,786.47	\$ -0-	\$	\$ 24,786.47
Construction in Progress	30,000.00			30,000.00
Accounts receivable	46,173.31			46,173.31
Leases and equipment			14,321.00	14,321.00
Monitoring well			62,556.21	62,556.21
<b>TOTAL ASSETS</b>	<b>128,930.78</b>	<b>-0-</b>	<b>77,847.21</b>	<b>128,930.78</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Accrued salaries	258.00	-0-	0-	258.00
Compensated absences	4,733.50			4,733.50
Withholdings payable	720.00			720.00
<b>TOTAL LIABILITIES</b>	<b>5,711.50</b>	<b>-0-</b>	<b>-0-</b>	<b>5,711.50</b>
<b>EQUITY</b>				
Investment in plant				
Fixed assets less				
General Fund			24,558.62	24,558.62
Grants			43,288.69	43,288.69
Fund Balance - reserved				
unexpended	128,629.27	-0-	-0-	128,629.27
<b>NON-M. FUND EQUITY</b>	<b>128,629.27</b>	<b>-0-</b>	<b>77,847.31</b>	<b>128,629.27</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>128,930.78</b>	<b>-0-</b>	<b>77,847.31</b>	<b>128,930.78</b>

The accompanying notes are an integral part of this statement.

# GERALD A. WALKER

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State  
Institute of  
Management  
Scientists

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Capital Area Ground Water Conservation District  
State of Louisiana  
Baton Rouge, Louisiana

I have audited the accompanying general purpose financial statements of Capital Area Ground Water Conservation District, State of Louisiana, as of and for the year ended June 30, 1997. These general purpose financial statements are the responsibility of Capital Area Ground Water Conservation District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Auditing Guide. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Ground Water Conservation District, State of Louisiana, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated February 4, 1998 on my consideration of Capital Area Ground Water Conservation District's internal control and a report dated February 4, 1998 on its compliance with laws and regulations.

*Ronald A. Walker*

Ronald A. Walker, CPA  
February 4, 1998

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet - All Fund Types and Account Groups	2
Statement of Revenues, Expenditures and Changes in Fund Equity - All Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Equity - Budget (GRAB) and Actual - General Fund and Capital Project Fund	4
Notes to Financial Statements	5
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	10
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	17

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CAPITAL AREA GRAVED WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA

FINANCIAL STATEMENTS  
JUNE 30, 1987

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

Release Date: *3/24/88*