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**TECHE-VERMILION FRESH WATER DISTRICT  
FINANCIAL REPORT  
DECEMBER 31, 1999**

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

Release Date MAY 03 2000

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Teche-Vermilion Fresh Water District  
Lafayette, Louisiana

We have audited the general purpose financial statements of Teche-Vermilion Fresh Water District and the individual fund and account group financial statements of Teche-Vermilion Fresh Water District as of and for the year ended December 31, 1999, as listed in the table of contents. These financial statements are the responsibility of Teche-Vermilion Fresh Water District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Teche-Vermilion Fresh Water District at December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual fund and each of the account groups of Teche-Vermilion Fresh Water District at December 31, 1999, and the results of operations of such fund for the year then ended, in conformity with generally accepted accounting standards.

In accordance with Government Auditing Standards, we have also issued a report dated March 23, 2000, on our consideration of Teche-Vermilion Fresh Water District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Teche-Vermilion Fresh Water District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

The financial information for the 1998 fiscal year which is included for comparative purposes was taken from the financial report of Teche-Vermilion Fresh Water District for that year in which we expressed a qualified opinion on the combined, individual fund and account group financial statements.

*Broussard, Poche, Lewis & Kreavich LLP*

Lafayette, Louisiana  
March 23, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1999

	<u>Governmental Fund Type</u>
ASSETS	<u>General</u>
Cash	\$ 137,122
Investments, at fair value	13,704,617
Receivables:	
Ad valorem taxes	971,637
State revenue sharing	63,261
Accrued interest	164,611
Land, buildings and improvements	-
Water control structures	-
Equipment and furnishings	-
Amount to be provided for retirement of general long-term debt	-
Total assets	<u>\$ 15,041,248</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 138,396
Accrued expenses	13,778
Accrued annual leave	-
Deferred revenue	<u>1,152,522</u>
Total liabilities	<u>1,304,696</u>
<b>FUND EQUITY</b>	
Investment in general fixed assets	-
Fund balances -	
Reserved for -	
Replacement of equipment	13,491,504
Unreserved -	
Designated for planned project improvements	250,000
Designated for operation and maintenance	200,000
Designated for contingencies	300,000
Designated for unrealized gain on investments	-
Undesignated deficit	<u>(504,952)</u>
Total fund equity	<u>13,736,552</u>
Total liabilities and fund equity	<u>\$ 15,041,248</u>

See Notes to Financial Statements.

<u>Account Groups</u>		<u>Totals</u>	
<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
<u>Fixed</u>	<u>Long-Term</u>	<u>1999</u>	<u>1998</u>
<u>Assets</u>	<u>Debt</u>		
\$ -	\$ -	\$ 137,122	\$ 194,780
-	-	13,704,617	14,304,288
-	-	971,637	937,758
-	-	63,261	62,465
-	-	164,611	176,568
1,100,874	-	1,100,874	1,100,874
25,293,265	-	25,293,265	25,293,265
269,272	-	269,272	269,044
-	49,431	49,431	45,970
<u>\$26,663,411</u>	<u>\$ 49,431</u>	<u>\$41,754,090</u>	<u>\$42,385,012</u>
\$ -	\$ -	\$ 138,396	\$ 32,729
-	-	13,778	14,585
-	49,431	49,431	45,970
-	-	1,152,522	1,104,159
-0-	49,431	1,354,127	1,197,443
26,663,411	-	26,663,411	26,663,183
-	-	13,491,504	13,543,883
-	-	250,000	250,000
-	-	200,000	200,000
-	-	300,000	300,000
-	-	-	230,503
-	-	(504,952)	-
<u>26,663,411</u>	<u>-0-</u>	<u>40,399,963</u>	<u>41,187,569</u>
<u>\$ 26,663,411</u>	<u>\$ 49,431</u>	<u>\$41,754,090</u>	<u>\$42,385,012</u>

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TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND TYPE  
Years Ended December 31, 1999 and 1998

	General Fund	
	1999	1998
Revenues:		
Taxes	\$ 1,008,785	\$ 965,979
Intergovernmental revenues	93,750	93,715
Interest income	844,423	922,282
Net change in unrealized gain (loss) on investments	(735,456)	81,221
Miscellaneous revenue	65,322	16,943
Total revenues	1,276,824	2,080,140
Expenditures:		
Current -		
General government	2,064,658	1,793,631
Excess (deficiency) of revenues over expenditures	(787,834)	286,509
Fund balance, beginning	14,524,386	14,237,877
Fund balance, ending	\$13,736,552	\$14,524,386

See Notes to Financial Statements.

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUND TYPE  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	<u>1999</u>		Variance - Favorable (Unfavorable)	1998 <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes -				
Ad valorem taxes	\$1,024,000	\$ 1,008,785	\$ (15,215)	\$ 965,979
Intergovernmental revenues -				
State revenue sharing	96,000	93,750	(2,250)	93,715
Interest income	891,500	844,423	(47,077)	922,282
Net change in unrealized gain (loss) on investments	-	(735,456)	(735,456)	81,221
Miscellaneous revenues	<u>2,500</u>	<u>65,322</u>	<u>62,822</u>	<u>16,943</u>
Total revenues	<u>2,014,000</u>	<u>1,276,824</u>	<u>(737,176)</u>	<u>2,080,140</u>
Expenditures:				
Current -				
General government -				
Personnel services	399,500	398,190	1,310	384,448
Utilities	1,154,800	1,160,298	(5,498)	947,440
Other services and charges	484,780	505,931	(21,151)	448,629
Capital expenditures	<u>2,500</u>	<u>239</u>	<u>2,261</u>	<u>13,114</u>
Total expenditures	<u>2,041,580</u>	<u>2,064,658</u>	<u>(23,078)</u>	<u>1,793,631</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (27,580)</u>	(787,834)	<u>\$ (760,254)</u>	286,509
Fund balance, beginning		<u>14,524,386</u>		<u>14,237,877</u>
Fund balance, ending		<u>\$13,736,552</u>		<u>\$14,524,386</u>

See Notes to Financial Statements.

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of Teche-Vermilion Fresh Water District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government:

Teche-Vermilion Fresh Water District - Teche-Vermilion Fresh Water District is a body corporate created under Act 41 of 1969. Its purpose is that of establishing, maintaining and protecting a fresh water supply in Bayou Teche and the Vermilion River in the parishes of Iberia, Lafayette, St. Martin and Vermilion. The District is governed by a board of commissioners composed of one member from each of the parishes constituting the District. The members are appointed by the police juries/parish councils of their respective parishes. The Chairman is appointed by the Commission. For financial reporting purposes, the District includes all funds, account groups and activities that are controlled by the District as an independent political subdivision of the State of Louisiana.

The activities of the parish governing authorities, school boards, independently elected parish officials and municipal level governments of the parishes constituting the District are not included within the accompanying financial statements, as they are considered autonomous governments. These units of government issue financial statements separate from that of the District.

## NOTES TO FINANCIAL STATEMENTS

### Fund accounting:

The District uses one fund and two account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

The General Fund (governmental fund type) is the general operating fund of the District. It is used to account for all the financial resources of the District.

### Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues for the 1999 tax assessment, including state revenue sharing, have been deferred at December 31, 1999, and will be recognized in 2000, the year for which such revenues have been budgeted. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. Purchases of operating supplies are regarded as expenditures at the time purchased.

Interest on investments is considered susceptible to accrual and is recognized as earned. Substantially all other revenues are recorded when received because they are not objectively determinable.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when

NOTES TO FINANCIAL STATEMENTS

both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Budgets:

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. All appropriations lapse at the end of the fiscal year.

Investments:

Investments are stated at fair market value as determined by independent reporting services.

Fixed assets:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost.

Assets in the general fixed assets account group are not depreciated.

Compensated absences:

Employees of the District earn annual and sick leave at varying rates according to years of service with the District. Upon resignation or retirement, unused annual leave up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, accumulated annual leave above 300 hours and accumulated sick leave is used in the retirement benefit computation as earned service. No payment is made for accrued and unused sick leave.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. The amount of annual leave vested at December 31, 1999 totaled \$49,431 which has been accrued in the general long-term debt account group.

## NOTES TO FINANCIAL STATEMENTS

### Long-term obligations:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

### Fund equity:

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

### Memorandum only - total columns:

The total column on the combined 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.

### Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

### Note 2. Legal Compliance - Budgets

A modified accrual basis budget is formally adopted by the District prior to the beginning of the fiscal year and notices of its completion and availability are published. After its adoption, adjustment to the budget must be approved by resolution. All appropriations lapse at fiscal year end.

### Note 3. Deposits and Investments

#### Deposits:

At year end, the carrying amount of the District's deposits was \$137,122 and the bank balance was \$145,317. The bank balance was entirely covered by federal depository insurance or by collateral held by the District's fiscal agent in the District's name.

NOTES TO FINANCIAL STATEMENTS

Investments:

The District's investments are categorized as either (1) insured or registered for which the securities are held by the District or its agent in the District's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the District's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the District's name. A categorization of the investments at December 31, 1999 follows:

Category 1 -	
U. S. Government securities	<u>\$13,704,617</u>

Note 4. Ad Valorem Taxes

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Taxes are billed and collected by the individual parishes comprising the District.

Ad valorem tax revenue is recognized in the year following the assessment, when the majority of the taxes are actually collected.

In 1990, a ten year tax renewal in the amount of 1.5 mills was approved by the voters of Iberia, Lafayette, St. Martin and Vermilion parishes. The tax is for the purpose of constructing, establishing, extending, maintaining, operating and protecting a fresh water supply and abating pollution in Bayou Teche and the Vermilion River within the Teche-Vermilion Fresh Water District. In 1994, the Commissioners reduced the rate to 1.27 mills. In 1995, the Commissioners reduced the rate to 1.00 mill. The tax will expire in the year 2000.

Note 5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>01/01/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/99</u>
Land, buildings and improvements	\$ 1,100,874	\$ -	\$ -	\$ 1,100,874
Water control structures	25,293,265	-	-	25,293,265
Equipment and furnishings	<u>269,044</u>	<u>239</u>	<u>11</u>	<u>269,272</u>
	<u>\$26,663,183</u>	<u>\$ 239</u>	<u>\$ 11</u>	<u>\$26,663,411</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Changes in Long-Term Debt

The following is a summary of accumulated annual leave transactions of the Teche-Vermilion Fresh Water District for the year ended December 31, 1999:

Balance, beginning	\$ 45,970
Additional leave accrued	6,525
Annual leave used/reduced	<u>(3,064)</u>
Balance, ending	<u>\$ 49,431</u>

Note 7. Employee Retirement Systems

All permanent employees of the District are eligible for the Parochial Employees Retirement System (PERS) of Louisiana, a multiple-employer public employee retirement system. The payroll for District employees covered by the System for the year ended December 31, 1999 was \$342,634; the total District payroll was \$342,634.

Parochial Employees' Retirement System (PERS)

Plan description:

Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with ten years of service at age 60. Benefit rates are 1% of final compensation (average monthly earnings during the highest 36 consecutive months, or joined months if service was interrupted) plus \$2.00 per month for each year of service credited prior to January 1, 1980, and 3% of final compensation for each year of service after January 1, 1980. The System also provides disability and survivor benefits. Benefits are established by State statute. PERS issues a publicly available financial report that includes financial statements and requires supplemental information. That report may be obtained by writing to Parochial Employees' Retirement of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding policy:

Plan members are required to contribute 9.50% of their annual covered salary to the plan and the District is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. The contribution requirements of plan members and the District are established by statute. The District's contribution to PERS for the years ended December 31, 1999 and 1998 were \$59,054 and \$56,935, respectively, equal to the required contribution each year.



NOTES TO FINANCIAL STATEMENTS

Note 8. Board Members Compensation

Board members receive \$75 per diem for attendance at each official meeting of the board, not to exceed one regular meeting per month and six special meetings per year. The following reflects the per diem earned by the Commissioners:

	<u>Number</u>	<u>Amount</u>
Donald Sagrera	11	\$ 825
Patrick J. Domingue	11	825
Donald Segura	11	825
Ray Brignac	11	825
Total		<u>\$ 3,300</u>

Note 9. Reserves for Capital Expenditures

The District and the United States Corps of Engineers have entered into an agreement upon accepting the pumping station and all of its structures from the U.S. Government whereby the District is obligated to set aside reserves, in the amount of \$16,525,000, for replacement of pumps, motors and all working parts. The District has established a reserve fund for these future capital expenditures, and the present allocation to meet this replacement is \$13,491,504.

Note 10. Designation of Fund Balance

By resolution, the District has designated \$250,000 of the unreserved fund balance for planned project improvements anticipated in the near future. The District has also designated \$200,000 of the unreserved fund balance for future operation and maintenance of the Teche-Vermilion Fresh Water District. In addition, \$300,000 has been designated for contingencies of the Teche-Vermilion Fresh Water District.

Note 11. Post Retirement Health Care and Life Insurance Benefits

The State of Louisiana provides certain continuing health care and life insurance benefits for Teche-Vermilion Fresh Water District's retired employees. Substantially, all of the District's employees become eligible for these benefits if they reach normal retirement age while working for the District. Those benefits for retirees are provided through Group Benefits whose monthly premiums are paid jointly by the employee and the District. The cost of providing these benefits is reflected as an expenditure in the year it is paid. For the year ended December 31, 1999, there were three retirees and the costs of their benefits totaled \$7,388.

NOTES TO FINANCIAL STATEMENTS

Note 12. Contingency

The District is the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of management, the outcome of this lawsuit will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

Note 13. Net Increase in the Fair Value of Investments

The following is the change in the fair value of investments for the year ended December 31:

	<u>1999</u>	<u>1998</u>
Fair value at end of year	\$ 13,704,617	\$ 14,304,288
Add: Proceeds of investments sold	2,016,877	6,865,920
Less: Cost of investments purchased	(2,152,662)	(8,428,017)
Less: Fair value at beginning of year	<u>(14,304,288)</u>	<u>(12,660,970)</u>
Change in fair value of investments	<u>\$ (735,456)</u>	<u>\$ 81,221</u>

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL

Year Ended December 31, 1999

With Comparative Actual Amounts for Year Ended December 31, 1998

	<u>1999</u>		Variance -	
	<u>Budget</u>	<u>Actual</u>	Favorable	1998
			(Unfavorable)	<u>Actual</u>
General government:				
Personnel services -				
Salaries	\$ 342,700	\$ 342,634	\$ 66	\$ 330,057
Group insurance	29,900	29,002	898	28,811
Retirement	<u>26,900</u>	<u>26,554</u>	<u>346</u>	<u>25,580</u>
	<u>399,500</u>	<u>398,190</u>	<u>1,310</u>	<u>384,448</u>
Utilities	<u>1,154,800</u>	<u>1,160,298</u>	<u>(5,498)</u>	<u>947,440</u>
Other services and charges -				
Dredging of inlet channel	-	-	-	126,895
Advertising	300	825	(525)	270
Assessors' compensation	9,000	6,840	2,160	8,275
State retirement	32,000	35,507	(3,507)	31,816
Compensation - board members	4,000	3,300	700	3,825
Dues - board members	2,500	790	1,710	2,350
Fuel, oil and lubricants	7,500	8,308	(808)	7,522
Insurance - general	55,000	54,200	800	54,980
Maintenance contracts	1,000	1,045	(45)	673
Miscellaneous	1,100	1,943	(843)	2,919
Office improvements	1,400	2,666	(1,266)	-
Office supplies	2,300	1,701	599	1,253
Operating supplies	111,680	111,477	203	27,184
Professional services	56,000	57,998	(1,998)	55,013
Printing	1,000	763	237	1,063
Rentals	11,200	11,380	(180)	8,565
Repairs and maintenance	170,800	191,547	(20,747)	98,763
Telephone	6,000	6,343	(343)	5,772
Travel	<u>12,000</u>	<u>9,298</u>	<u>2,702</u>	<u>11,491</u>
	<u>484,780</u>	<u>505,931</u>	<u>(21,151)</u>	<u>448,629</u>
Capital expenditures -				
Office equipment	1,000	239	761	809
Automotive equipment	-	-	-	12,305
Operation and maintenance equipment	1,000	-	1,000	-
Water control structure	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
	<u>2,500</u>	<u>239</u>	<u>2,261</u>	<u>13,114</u>
Total	<u>\$2,041,580</u>	<u>\$2,064,658</u>	<u>\$ (23,078)</u>	<u>\$ 1,793,631</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental-type funds.

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

STATEMENT OF GENERAL LONG-TERM DEBT  
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Amount to be provided for payment of long-term debt:		
Amount to be provided from -		
Excess annual revenues	<u>\$ 49,431</u>	<u>\$ 45,970</u>
 General long-term debt payable:		
Accrued annual leave	<u>\$ 49,431</u>	<u>\$ 45,970</u>

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT  
Year Ended December 31, 1999

	<u>Balance</u> <u>01/01/99</u>	<u>Long-Term</u> <u>Debt</u> <u>Issued</u>	<u>Long-Term</u> <u>Debt</u> <u>Retired</u>	<u>Balance</u> <u>12/31/99</u>
Amount to be provided for retirement of long-term debt from:				
Excess annual revenues	<u>\$ 45,970</u>	<u>\$ 6,525</u>	<u>\$ 3,064</u>	<u>\$ 49,431</u>
General long-term debt payable:				
Accumulated annual leave	<u>\$ 45,970</u>	<u>\$ 6,525</u>	<u>\$ 3,064</u>	<u>\$ 49,431</u>

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

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*Retired:*

Sidney L. Broussard, CPA\* 1980

Leon K. Poché, CPA 1984

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Erna R. Walton, CPA 1988

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Geraldine J. Wimberley, CPA\* 1995

Rodney L. Savoy, CPA\* 1996

Larry G. Broussard, CPA\* 1997

Lawrence A. Cramer, CPA\* 1999

Michael P. Crochet, CPA\* 1999

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

To the Board of Directors  
Teche-Vermilion Fresh Water District  
Lafayette, Louisiana

We have audited the general purpose financial statements of Teche-Vermilion Fresh Water District, and the individual fund and account group financial statements as of and for the year ended December 31, 1999, and have issued our report thereon dated March 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

*Broussard, Poche, Lewis & Breunig LLP*

Lafayette, Louisiana  
March 23, 2000

TECHE-VERMILION FRESH WATER DISTRICT  
LAFAYETTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 1999

We have audited the financial statements of Teche-Vermilion Fresh Water District as of and for the year ended December 31, 1999, and have issued our report thereon dated March 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses    \_\_\_ Yes    X No  
Reportable Conditions   \_\_\_ Yes    X None Reported

Compliance

Compliance Material to Financial Statements   \_\_\_ Yes    X No

Section II - Financial Statement Findings

No matters were reported.