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**BAYOU LAFOURCHE FRESH WATER DISTRICT  
Thibodaux, Louisiana**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS**

**December 31, 2003**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and/or 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 7-28-04

**Wagnerspack & Gallagher, LLC**  
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Thibodaux, Louisiana

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS**

December 31, 2003

**BAYOU LAPOUCHE FRESH WATER DISTRICT**

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**December 31, 2002**

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# Waguespack & Gallagher, LLC

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Bayou Lafourche Fresh Water District  
Thibodaux, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the Bayou Lafourche Fresh Water District (The District) as of and for the year ended December 31, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bayou Lafourche Fresh Water District, as of December 31, 2003, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments – Overview*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. This results in a change in the format and content of the basic financial statements.

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 8 and page 24 through 25 respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted

principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated May 19, 2004 on our consideration of the Bayou Lafourche Fresh Water District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Bayou Lafourche Fresh Water District. The schedule of per diem is presented for additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Auditor's Guide: Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Bayou Lafourche Fresh Water District. The schedule of per diem and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Waggoner & Galt, LLC*

May 19, 2004

## RAYON LAFOURCHE FRESH WATER DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2003

Our discussion and analysis of the financial performance of the Bayou Lafourche Fresh Water District (the District) provides an overview of the District's financial activities for the fiscal year that ended December 31, 2003. Please read it in conjunction with the financial statements.

#### FINANCIAL HIGHLIGHTS

The District's net assets increased by \$62,641 or 0%.

The District's total revenues were \$1,890,627 for a decrease of 18%.

During the fiscal year ending December 31, 2003, the District had total expenses, including depreciation, of \$1,795,688.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District's government, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**RAYOU LAFOURCHE FRESH WATER DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2002**

**Figure A-1  
Major Features of the Rayou Lafourche Fresh Water District's Government and Fund Financial Statements**

	Fund Statements	
	Government-wide Statements	Governmental Funds
<b>Scope</b>	Entire government	The activities of the District
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>▪ Statement of net assets</li> <li>▪ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet</li> <li>▪ Statement of revenues, expenditures, and changes in fund balances</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received or have otherwise been incurred



## RAYOU LAPOURCHE FRESH WATER DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 1997

#### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-service companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and factors that affect water supply for sales to the surrounding parishes.

The government-wide financial statements of the District include:

- Governmental activities—most of the District's basic services are included here. Property taxes and water sales finance most of these activities.

#### Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

The District has one type of fund:

- Governmental funds—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

**BAYOU LAFOURCHE FRESH WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2003**

**FINANCIAL ANALYSIS OF THE BAYOU LAFOURCHE FRESH WATER DISTRICT AS A WHOLE**

**Net assets.** The District's net assets increased between fiscal years 2002 and 2003 to approximately \$2.21 million. (See Table A-1.)

	Governmental Activities	
	2003	2002
Current and other assets	\$2,201,877	\$2,582,668
Capital assets	961,853	981,872
<b>Total assets</b>	<b>3,163,730</b>	<b>3,564,540</b>
Accounts payable and accrued expenditures	72,893	103,448
<b>Total liabilities</b>	<b>571,995</b>	<b>255,846</b>
<b>Net assets</b>		
Invested in capital assets, net of related debt	961,853	981,872
Restricted for special projects	59,668	4,354
Unrestricted	1,239,313	1,231,668
<b>Total net assets</b>	<b>\$2,212,835</b>	<b>\$2,146,194</b>

Net assets of the District's governmental activities increased 3.8 percent to approximately \$2.22 million.

**Changes in net assets.** The District's total revenues decreased by 18.4 percent to \$1,899,133 (See Table A-2). This decrease is primarily due to a reduction in federal grant money received due to the completion of the NOAA project during 2002.

The total cost of all expenses decreased approximately \$363,582 or 18.7 percent, due to the completion of the NOAA project during 2002.

**RAYOU LAPOURCHE FRESH WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2003**

**Governmental Activities**

**Table A-3**  
**Changes in Bayou Lafourche Fresh Water District's Net Assets**

	Governmental Activities	
	2003	2002
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 253,599	\$ 227,033
General revenues		
Assessment District	884,346	701,407
Revenue Sharing	52,777	50,611
Interest	10,808	17,215
Federal Grants	689,604	1,283,400
Other	782	879
<b>Total revenues</b>	<b>1,680,173</b>	<b>2,307,545</b>
<b>Expenses</b>		
Personnel	580,708	558,545
Other Operating	1,046,542	1,641,519
<b>Total expenses</b>	<b>1,627,250</b>	<b>2,170,064</b>
<b>Increase in net assets</b>	<b>\$ 52,923</b>	<b>\$ 147,481</b>

**FINANCIAL ANALYSIS OF THE FUNDS**

As the District completed the year, its governmental funds reported a fund balance of \$ 1.29 million, an increase from last year of approximately \$25,600.

**General Fund Budgetary Highlights**

- Over the course of the year, the District revised its budget to reflect a \$68,886 increase in revenue and a \$1,380 increase in expenditures.

**RAYOU LAPOURCHE FRESH WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 December 31, 2003

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2003, the District had invested \$963,993 in capital assets. (See Table A-3.)

**Table A-3**  
**Bayou LaPouche Fresh Water District's Capital Assets**  
*(net of depreciation)*

	Governmental Activities	
	2003	2002
Land and Buildings	\$1,611,024	\$1,611,024
Furniture and Equipment	1,414,474	1,288,188
Vehicles	115,822	164,372
Accumulated Depreciation	(2,177,267)	(2,300,884)
<b>Net Capital Assets</b>	<b>\$ 963,993</b>	<b>\$ 661,872</b>

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

The District is dependent on property tax collections for approximately 72 percent of its revenues and water sales for approximately 21 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the District's general fund future revenues and expenditures are expected to be consistent with the current years.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Arville Chaloux, Jr., Director, 1010 St. Mary Street, Thibodaux, Louisiana 70581.

BAVOU LAPOURCHER FRESH WATER DISTRICT

Statement 1

STATEMENT OF NET ASSETS

DECEMBER 31, 2010

ASSETS

Cash and cash equivalents	\$ 423,432
Reserves	846,295
Capital assets, net of accumulated depreciation	<u>960,810</u>
<b>TOTAL ASSETS</b>	<b><u>2,230,537</u></b>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenditures	<u>72,999</u>
<b>TOTAL LIABILITIES</b>	<b><u>72,999</u></b>

NET ASSETS

Invested in capital assets	960,810
Restricted for special projects	29,669
Unrestricted	<u>1,239,311</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 2,230,537</u></b>

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

BAKKE LAFOURCHE FRESH WATER DISTRICT

Statement 1

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Expenses</u>	<u>Proprietor Revenues</u> <u>Charges for</u> <u>Services</u>	Net (Expense) Revenue and Changes in Net Assets <u>(Governmental)</u> <u>Unit</u>
<b>FUNCTIONS/PROGRAMS</b>			
<b>Governmental activities:</b>			
General government	<u>\$ 1,857,552</u>	<u>\$ 283,399</u>	<u>\$ (1,574,153)</u>
Total governmental activities	<u>1,857,552</u>	<u>283,399</u>	<u>(1,574,153)</u>
<b>General Revenues:</b>			
Compositions from assessment districts			884,268
Interest			10,889
State revenue sharing			52,177
Gain on fixed asset disposals			782
Federal Grants			<u>659,584</u>
Total general revenues			<u>1,607,600</u>
Change in net assets			3,448
Net assets - January 1, 2003			<u>2,162,191</u>
Net assets - December 31, 2003			<u>\$ 2,172,839</u>

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

**BAYOU LAPOURCHE FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2003**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002**

Statement 3

	GOVERNMENTAL FUND TYPES		TOTALS	
	GENERAL	CAPITAL PROJECTS	(DOLLARS IN THOUS)	
	2003	2002	2003	2002
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 455,814	\$ 28,668	\$ 484,483	\$ 128,811
Investments	-	-	-	347,268
Receivables:				
Ad valorem taxes, net	800,789	-	800,789	811,848
State revenue sharing	15,540	-	15,541	15,468
Water sales	24,128	-	24,030	25,913
Insurance receivable	545	-	545	350
Federal grant - NOAA	-	-	-	169,800
	<u>\$ 1,302,209</u>	<u>\$ 28,668</u>	<u>1,331,878</u>	<u>1,893,668</u>
<b>Total Assets and Other Debits</b>				
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 1,888	\$ -	\$ 1,888	\$ 188,812
Accrued Payroll	34,396	-	34,396	12,683
Componised advances payable	21,741	-	21,741	27,188
	<u>44,025</u>	<u>-</u>	<u>44,025</u>	<u>328,683</u>
<b>Total Liabilities</b>				
<b>Equity and other credits:</b>				
Fund balances:				
Unassigned - undesignated	1,258,174	-	1,258,174	1,257,000
Reserve for special projects	-	20,668	20,669	4,154
	<u>1,258,174</u>	<u>20,668</u>	<u>1,278,843</u>	<u>1,261,154</u>
<b>Total Equity and Other Credits</b>				
	<u>\$ 1,302,209</u>	<u>\$ 28,668</u>	<u>\$ 1,331,878</u>	<u>\$ 1,893,668</u>
<b>Total Liabilities, Equity, and Other Credits</b>				

The accompanying notes are an integral part of this statement.

**RAYON LAPOURCHÉ FRESH WATER DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2000**

Statement 4

Total fund balances - Governmental Funds		\$	1,187,838
Cost of capital assets at December 31, 2000	\$	1,141,321	
Less: accumulated depreciation as of December 31, 2000	\$	(1,171,248)	
Less: accrued long term compensated absences as of December 31, 2000		<u>(28,991)</u>	<u>904,598</u>
Total net assets at December 31, 2000 - Governmental Activities		\$	<u>2,102,815</u>

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



**BAYOU LAPOURCHIE FRESH WATER DISTRICT**  
Thibodaux, Louisiana

Statement 1

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001**

	TOTALS			
	GENERAL	CAPITAL PROJECTS	2001	2002
<b>REVENUES</b>				
Ad Valorem Taxes Revenue	884,246	-	884,246	761,427
Intergovernmental Revenues				
State Revenues (Sharing)	52,177	-	52,177	51,431
Federal Grants	11,000	479,488	489,488	1,285,498
Water Sales	241,248	-	241,248	277,733
Interest Income	10,000	-	10,000	17,113
Sale of Fixed Assets	1,000	-	1,000	870
<b>Total Revenues</b>	<u>1,211,671</u>	<u>479,488</u>	<u>1,695,411</u>	<u>2,373,539</u>
<b>EXPENDITURES</b>				
Salaries	406,813	-	406,813	397,034
Payroll Taxes	21,488	-	21,488	26,190
Group Insurance Expense	105,214	-	105,214	121,703
Retirement Expense	15,750	-	14,721	15,238
Ad val Deduction for pension	29,798	-	29,798	22,841
Materials & supplies	14,280	-	14,280	14,711
Repairs & maintenance	54,414	-	38,414	64,841
Fuel & oils	7,036	-	5,135	8,091
Accounting fees	3,688	-	3,688	2,340
Computer expense	1,438	-	1,438	2,434
Consulting Fees	493	-	493	13,677
Travel & Subscriptions	189	-	189	91
Electricity	64,338	-	64,338	-
Engineering Fees	2,231	-	2,231	10,356
Insurance - General	168,788	-	168,788	282,464
Legal/Patrol/Police	18,682	-	18,682	1,750
Telephone & Travel	749	-	749	866
Office Expense	8,896	-	8,896	13,357
Tax & License	-	-	-	102
Telephone	18,189	-	18,189	16,041
Legal Fees	4,081	-	4,081	36,172
Aquatic Control Study	-	-	-	16,341
Survey Fees	119	-	119	5,780
Utilities	110,682	-	110,682	98,111
Interest/expense expense	3,886	-	3,886	8,000
Capital outlay:				
Equipment & vehicle	157,677	1,896	159,573	417,611
Buildings	-	-	-	2,195
Construction cost	-	593,344	593,344	888,554
Engineering Fees	-	82,899	82,899	216,434
Legal Fees	-	3,341	3,341	12,828
<b>Total Expenditures</b>	<u>1,213,411</u>	<u>648,241</u>	<u>1,861,652</u>	<u>2,770,717</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	456	23,111	21,899	(397,178)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,211,671</u>	<u>4,554</u>	<u>1,216,225</u>	<u>1,445,682</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>1,212,127</u>	<u>27,665</u>	<u>1,238,124</u>	<u>1,048,504</u>

The accompanying notes are an integral part of this statement.

BAVOLI LAPOUCHE FRESH WATER DISTRICT

Statement 4

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
DECEMBER 31, 2003

Excess of Revenues and Other Sources			
Over Expenditures and Other Uses			21,099
Capital Assets			
Capital outlay-capitalized	\$	158,967	
Depreciation expense for the year ended December 31, 2003		(96,712)	
Loss on disposal of fixed assets for the year ended December 31, 2003		(154)	
Increase in accrued amounts		(4,818)	21,042
Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.			
Change in Net Assets - Governmental Activities			<u>21,042</u>

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

**BOYCE LAFOURCHE FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 1993

**INTRODUCTION**

The Boyce Lafourche Fresh Water District (the District) was created under Act 111 of 1980, of the Louisiana Legislature, for the purpose of furnishing fresh water from the Mississippi River to the incorporated villages, towns, and cities along Bayou Lafourche. The District is governed by a board of six commissioners appointed for terms of four years. The parish governments of Assumption and Iberville appoint three of six commissioners, and the governor of Louisiana appoints the remaining three-commissioners.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basic Presentation**

The accompanying general purpose financial statements of the Boyce Lafourche Fresh Water District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1990. The following is a summary of the Boyce Lafourche Fresh Water District's significant policies:

**Financial Reporting Entity**

Under Governmental Accounting and Financial Standards Section 2180, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relations with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the primary government to impose its will on that organization under
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are directly dependent of the primary government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**RAYON LAPOURDIE FRESH WATER DISTRICT**  
Tulahoma, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2000

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Based on this criteria, management has determined that the Rayon Lapourdie Fresh Water District is not considered a component unit of any other reporting entity. The District is a separate reporting entity because:

1. The District is a separate legal entity, and not a part of any other governmental entity.
2. Other governmental entities do not have the ability to impose their will on the District.
3. The District is not fiscally dependent on other governmental entities, nor is the District a significant financial burden to any other governmental entity.

This report includes all funds which are controlled by the Rayon Lapourdie Fresh Water District. The district is not included in any other governmental "reporting entity" as defined by the GASB measurement.

**Fund Accounting**

The District uses funds 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 governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The District has two funds, which are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental funds of the District include:

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

**Capital Projects Fund** – The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction, or improvements of capital facilities not reported in other governmental funds. The capital projects fund of the District is used to account for federal grant monies received from the United States Department of Commerce which are used for the construction of a control structure to prevent the flow of saltwater into Rayon Lapourdie.

**Basis of Accounting / Measurement Focus**

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**RAYDULAPOURCHE FRESH WATER DISTRICT**  
Tribhuvan, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 1981

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Program Revenues**

Program revenues included in the Statement of Activities derive directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District's general revenues.

**Fund Financial Statements (FFS)**

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 financial resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become measurable to accrual - that is, when they become measurable and available to pay current period liabilities. The District considers all revenues not receivable available if they are collected within 90 days after the fiscal year end. All other revenues are available when earned. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

**Revenues**

Revenue is recorded when received or accrued when it becomes both measurable and available for current expenditures. Daily revenue received within thirty days of the close of the current fiscal year is considered receivable and is recorded in the current year. All valuation taxes are assessed on a calendar year basis, become due November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year. The revenues collected by the sheriff of the parish involved are transmitted to the District.

Water sales are recorded when earned.

Interest income on time deposits is recorded when earned.

All other revenues are recorded when received.

**Expenditures**

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

**BAYOU LAPOULICER FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2005

**NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Budgets**

Annually, the Board of Commissioners of the District adopts a detailed budget for the general fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

**Encumbrances**

The District does not use encumbrance accounting.

**Cash, Cash Equivalents, and Investments**

The District has deposits in a checking account and a money market account at a local financial institution. The District may deposit funds with a local agent bank organized under the laws of the State of Louisiana or any other state in the United States. The District may also invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**Inventories**

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

**Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 2 to 40 years.

**Compensated Absence**

The District employees accumulate an unlimited amount of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, unused leave in excess of 300 hours and unused sick leave is credited to earned service in computing retirement benefits.

**BAVIER LAPOURCHER FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2002

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The cost of lease privileges are computed in accordance with GASB Codification Section 096. An estimate of the lease privileges expiring during reserves is accrued in the General Fund. The District records the long term portion of accrued lease in the OWSF.

**Total Columns on Statements**

The total columns on the statements are captioned Memorandum-Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE B - CHANGES IN ACCOUNTING PRINCIPLES**

For the year ended December 31, 2002, the District has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

GASB Statement 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type, which had been the method of presentation in previously issued financial statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2002 to be restated in terms of Net Assets as follows:

Governmental Funds' Fund Balance, December 31, 2002	\$	1,282,244
Add: Capital Assets as of December 31, 2001:		
Cost	\$	3,000,736
Accumulated Depreciation	(	2,198,804)
Accrued Compensated Absences	_____	(25,022)
	_____	877,910
 Net Assets at December 31, 2002	 \$	 <u>2,160,154</u>

**NOTE C - CAPITAL ASSETS**

The following presentation summarizes capital assets from the general fixed asset account group at December 31, 2002:

	Land and Buildings	Furniture and Equipment	Vehicles	Total
Cost of Capital Assets, December 31, 2002	\$ 1,631,004	\$ 1,288,380	\$ 104,712	\$ 3,024,196
Accumulated depreciation, December 31, 2002	_____1,094,538	_____730,822	_____81,279	_____1,906,639
Capital assets, net of accumulated depreciation, at December 31, 2002	\$ _____536,466	\$ _____557,558	\$ _____23,433	\$ _____1,117,457

**BAYOU LAFOURCHE FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2003

**NOTE C - CAPITAL ASSETS - Continued**

Capital assets and depreciation activity as of and for the year ended December 31, 2003, are as follows:

	Land and Buildings	Furniture and Equipment	Vehicles	Total
Cost of Capital Assets, December 31, 2002	\$ 1,611,024	\$ 1,288,388	\$ 184,373	\$ 3,083,785
Additions	-	134,662	24,305	159,067
Deductions	( )	( 8,568 )	( 11,855 )	( 20,423 )
Cost of Capital Assets, December 31, 2003	1,611,024	1,614,482	196,823	3,422,329
Accumulated depreciation, December 31, 2002	\$ 1,464,438	\$ 576,039	\$ 87,379	\$ 2,127,856
Additions	30,648	56,600	18,134	105,382
Deductions	( )	( 8,513 )	( 12,834 )	( 21,347 )
Accumulated depreciation, December 31, 2003	1,495,086	624,126	72,679	2,191,891
Capital assets, net of accumulated depreciation, at December 31, 2003	\$ 115,938	\$ 790,356	\$ 124,144	\$ 930,438

For the year ended December 31, 2003, depreciation expense was \$98,712.

**NOTE D - LEVIED TAXES**

Maintenance taxes attach as collectible liens on property as of January 1 of each year. Taxes are levied by the parishes in November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

In 2003, the District was authorized to levy up to 2.11 mills in ad valorem taxes. A 1.93 mills ad valorem tax was levied for the year ended December 31, 2003. This assessment is made on real property and business personal properties located in part of Assumption Parish and within the boundaries of Assumption and Lafourche Parishes.

The District records as a receivable the total ad valorem taxes collected within thirty days of the close of the current fiscal year less the deduction for penalties. An Allowance for Doubtful Accounts is not recorded by the District because the amount of uncollected taxes is immaterial and written-off in the year following the year of assessment.

**NOTE E - CASH AND CASH EQUIVALENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.



**BOUDROU LAFOURCHE FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2003

**NOTE B - CASH AND CASH EQUIVALENTS - Continued**

State law required deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations first-lien in security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured or uncollateralized.

The year end balances of deposits are as follows:

	Bank Balances Category			Bank Balance	Market Value
	1	2			
Cash	\$ 100,000	\$ -	\$ 17,983	\$ 100,000	\$ 100,000
Cash Equivalents-					
FDICIA Note				374,491	374,518
FFR,501 Note				108,830	108,832
<b>Total</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 17,983</b>	<b>\$ 483,321</b>	<b>\$ 483,350</b>

At December 31, 2003, deposits in excess of FDIC insurance were collateralized by securities held by an unaffiliated bank for the account for the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for the accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 19:1119 imposes a statutory requirement on the collateral bank to advance and sell the pledged securities within 18 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

The cash equivalents are stated on the balance sheet at amortized cost. The cash equivalents are in the name of the Boudrou Lafourche Fresh Water District and are managed by Strong Investment Management Services, Inc., New Orleans, Louisiana.

RAYOU LAFOURCHER FRESH WATER DISTRICT  
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2003

**NOTE F - PENSION PLAN**

Substantially all employees of the Rayou Lafourche Fresh Water District are members of the Parochial Employees Retirement System of Louisiana (the System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan B.

All permanent employees working at least 20 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 62 with at least 30 years creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average salary in excess of \$100 for each year of creditable service. Further, employees with at least 30 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 1-per cent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed the lower of 100 per cent of final-average salary or 80% multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Under Plan B, members may elect to enter into the Deferred Retirement Option Plan (DROIP). DROIP is an option for those members who are eligible for normal retirement. Employees age 62 and above with 30 years of creditable service are eligible for the plan. The plan allows the pension benefit that is accrued at the time of entry into DROIP to be calculated and accumulated with the retirement system while the DROIP participant continues to work, freezing the future retirement benefit at retirement. The pension benefit is calculated as if the member were actually retiring. This DROIP is deposited to a DROIP account with the retirement system for a period not to exceed three years. The participant continues to work during this period of time. Employee contributions cease but employer contributions continue. At the end of the DROIP period and upon termination of employment, the sum of the DROIP account is paid out and the retiree begins receiving that same benefit directly as the retirement benefit.

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 Parochial Employees' Retirement System, Post Office Box 14879, Baton Rouge, Louisiana 70803-0479, or by calling (225) 936-1561.

Under Plan B, members are required by state statute to contribute 7% of their annual covered salary in excess of \$1,200 and the district is required to contribute an actuarially determined rate. The current rate is 3.55% of annual covered payroll. Contributions to the System include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and West Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by R.S. 11:905, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district's contribution to the System under Plan B for the years ending December 31, 2003, 2002, and 2001 were \$14,716, \$19,208, and \$10,689, respectively, equal to the required contributions each year.

**BAYOU LAFOURCHE FRESH WATER DISTRICT**  
Thibodaux, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 1993

**NOTE G - POST EMPLOYEE HEALTH CARE BENEFITS**

Effective June 15, 1994, the District is offering an early retirement benefit to all current and future classified employees between the ages of sixty-two and sixty-five who are fully vested in and eligible to retire in the Municipal Employees' Retirement System at the time of retirement. The District will pay the entire cost of the state portion of the retiring employee's medical insurance premiums until the employee reaches the age of sixty-five and becomes eligible for medical insurance primary coverage, or until revoked by the commission or the retiring employee fails to submit payment to the district for his/her portion of the premium by the 15th day of the month in which the premium is due. The cost of retirees' health care benefits is recognized as an expenditure when the related premium liability is incurred. For 1993, the District incurred costs of \$1,633 for post employee health care benefits.

**NOTE H - LEASES**

The leased no-capital leases to be recorded as assets and obligations in the accompanying financial statements.

**NOTE I - DEFERRED COMPENSATION PLAN**

Some employees of the Bayou Lafourche Water District contribute to the State of Louisiana Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**NOTE J - LITIGATION AND CLAIMS**

The District is involved in litigation as December 31, 1993. In the opinion of management and legal counsel, the District has adequate legal defenses for the issues raised and the outcome of these matters will not have a significant effect on the District's financial position at December 31, 1993.

BOONE LAURENCE BRIDGE WATER DISTRICT  
 Troutman, Louisiana

Statement 1

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BOONE LAURENCE BRIDGE WATER DISTRICT - GENERAL AND CAPITAL PROJECTS FUND  
 YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND		CAPITAL PROJECTS FUND		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget
<b>REVENUES</b>					
ad Valorem Tax	\$ 100,000	\$ 100,000	1 000,200	0	0
Intergovernmental Revenues	0	0	0	0	0
State Revenue Sharing	0	0	0	0	0
Federal Grants	0	0	0	0	0
Other Grants	171,000	171,000	203,000	0	0
Other Fees	0	0	0	0	0
Interest Income	0	0	0	0	0
Gifts of Equipment	0	0	0	0	0
Total Revenues	271,000	271,000	1,203,200	0	0
<b>EXPENDITURES</b>					
Salaries	40,000	40,000	400,000	0	0
Payroll Taxes	10,000	10,000	10,000	0	0
Office Supplies	10,000	10,000	80,000	0	0
Office Expenses	10,000	10,000	14,000	0	0
Professional Expense	20,000	20,000	0	0	0
Travel Expenditures for purchase	20,000	20,000	0	0	0
Materials & supplies	100,000	100,000	10,000	0	0
Repairs & maintenance	10,000	10,000	10,000	0	0
Fuels & oil	0	0	0	0	0
Accounting fees	0	0	0	0	0
Contractor charges	0	0	0	0	0
Consulting Fees	0	0	0	0	0
Deeds & Conveyances	0	0	0	0	0
Business Expenses	0	0	0	0	0
Engineering Fees	0	0	0	0	0

(Continued)

The accompanying notes are an integral part of these statements.

BEAVER LAKE POWER PLANT WATER DISTRICT  
Troy, Missouri, Louisiana

Statement 7

COMPARISONS OF BUDGETS, EXPENDITURES, ASSESSMENTS IN FUND BALANCES -  
BUDGET FUND BALANCE AND ACTUAL - GENERAL AND CAPITAL PROJECT FUND  
YEAR ENDED DECEMBER 31, 2008

	GENERAL FUND		CAPITAL PROJECT FUND	
	Original Budget	Fund Budget	Original Budget	Fund Budget
Income - General	180,000	140,000	140,700	-
Legal Publications	2,000	2,000	1,600	-
Salaries & Travel	1,000	1,000	149	-
Office Expenses	9,000	9,000	9,000	-
Tax & Licenses	100	100	10	-
Telephone	9,500	9,500	9,500	-
Legal Fees	12,000	4,500	4,500	-
Survey Fees	-	-	170	-
Utilities	292,500	153,100	11,600	-
Miscellaneous expense	3,000	3,000	3,000	-
Capital assets:				
Equipment & vehicles	180,000	155,000	171,077	-
Construction costs	-	-	-	1,041,000
Engineering Fees	-	-	-	81,471
Legal Fees	-	-	-	3,300
Total Expenditures	1,230,000	1,170,000	1,171,544	1,141,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(250,000)	(230,000)	494	(1,140,000)
FUND BALANCE AT BEGINNING OF YEAR	1,237,000	1,217,000	1,217,000	4,000
FUND BALANCE AT END OF YEAR	1,000,000	1,000,000	1,119,114	1,296,000

The accompanying notes are an integral part of the statements.

**OTHER SUPPLEMENTARY INFORMATION**

BAYOU LAPOUCHE FRESH WATER DISTRICT  
Thibodaux, LouisianaSchedule of Fees (Items Paid to Board Members  
For the Year Ended December 31, 1983)

<u>Board Member</u>	<u>Amount</u>
Ray Anderson	975
Alvin Hobbs	1,000
Gasper Verone	1,000
Gaston Wignacourt, Jr.	600
Roggie Melancon	750
Gene Howell	<u>825</u>
Total	\$ <u>5,250</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS AND OTHER SCHEDULES  
REQUIRED BY GOVERNMENT AUDITING STANDARDS  
AND OIGS A-133**



RAYON LAPOURCHE FRESH WATER DISTRICT  
Thibodaux, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2003

Federal Grant Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number	Total Current Year Expenditures
U.S. Department of Commerce National Oceanic and Atmospheric Administration	11.419	NA	\$ 608,483 *
Federal Emergency Management Agency: Pass-Through from Louisiana Department of the Treasury	EL344	NA	<u>15,000</u>
Total			\$ <u>623,483</u>

\* Major Program

**BAYOU LAFOURCHE PUBLIC WATER DISTRICT**  
**Tulahoma, Louisiana**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**December 31, 2003**

**GENERAL**

The Schedule of Federal Awards presents the activity of all Federal awards programs of the Bayou Lafourche Public Water District (the District).

The District reporting entity is defined in Note B to the District's financial statements. All Federal awards received directly from Federal agencies, as well as Federal awards passed through other governmental agencies, is included on the schedule.

**BASE OF ACCOUNTING**

The Schedule of Federal Awards is prepared using the modified accrual basis of accounting. The basis of accounting for the various funds is described more fully in Note A to the District's financial statements.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2003

**A. Summary of Audit Results**

- The auditor's report expresses an unqualified opinion on the basic financial statements of the Bayou Lafourche Fresh Water District.
- The reportable condition in internal control disclosed during the audit of the basic financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. The condition is reported as a material weakness. (See 2005-1 in part B of this Schedule)
- The results of our tests disclosed no instances of noncompliance material to the basic financial statements which were required to be reported in the Report On Compliance And Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.
- The reportable condition in internal control disclosed during the audit of the major federal award programs are reported in the Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. The condition is reported as a material weakness. (See 2005-2 in Part C of this Schedule)
- There was an instance of noncompliance material to the basic financial statements disclosed during the audit of the major federal award programs and reported in the Report on Compliance And On Internal Control Over Financial Reporting Based On An Audit of Financial Statements Performed In Accordance With Government Auditing Standards. (See 2005-3 in Part C of this Schedule)
- The auditor's report on compliance for the major federal award programs for Bayou Lafourche Fresh Water District expresses a qualified opinion.
- Audit findings relative to the major federal award programs Bayou Lafourche Fresh Water District are reported in Part C of this Schedule.
- The programs identified as major programs included:
 

National Oceanic and Atmospheric Administration Coastal Zone Management	Federal CIGS Number  11419
--	-------------------------------------
- The threshold for distinguishing Type A and B programs was \$300,000.
- The Bayou Lafourche Fresh Water District was not determined to be a low-risk auditee.

**B. Findings – Financial Statement Audit**

**2003-1 SEPARATION OF DUTIES**

Due to the size of the Bayou Lafourche Fresh Water District's accounting staff, there is an insufficient segregation of duties to have an effective internal control.

Since the cost of an internal control system should not outweigh the benefits derived from it, we can not recommend that additional personnel be added, and have no recommendations to make in this area.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2003

Management of the District concurs with the finding. However, due to staff limitations, no action will be taken at this time.

## C. Findings and Questioned Costs – Major Federal Award Programs Available

## CBA-2 SEPARATION OF DUTIES

Due to the size of the Bayou LaPouche Fresh Water District's accounting staff, there is an insufficient segregation of duties to have an effective internal control.

Since the cost of an internal control system should not outweigh the benefits derived from it, we cannot recommend that additional personnel be added, and have no recommendations to make in this area.

Management of the District concurs with the finding. However, due to staff limitations, no action will be taken at this time.

## CBA-3 PROPOSED AND AMENDED BUDGETS

Louisiana Statutes require that the District prepare a proposed budget and amend its operating budget when:

- (1) Total Revenue and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

For the year ended December 31, 2003, the District did not include increases in the preparation of its budget in accordance with Louisiana Statutes and amend that budget for revenues for the Capital Projects Fund.

We recommend that management of the District prepare a proposed budget for all funds and monitor the budget to actual statements during the year to comply with this requirement.

Management of the District concurs with this finding and the recommendations will be implemented immediately.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

For the Year Ended December 31, 2003

**INTERNAL CONTROL FINDINGS – Financial Statement Audit**

**2002-1 SEPARATION OF DUTIES**

**Condition:** Due to the size of the Boyd LaFourche Fresh Water District's accounting staff, there is an insufficient segregation of duties to have an effective internal control.

**Current status:** This finding still applies and is noted in the current audit for year ending December 31, 2003. (See current finding noted as 2003-1.)

**COMPLIANCE FINDINGS – Financial Statement Audit**

No compliance findings were noted in the financial statement audit for the year ended December 31, 2003.

**INTERNAL CONTROL FINDINGS-Major Federal Award Programs Audit**

**2002-2 SEPARATION OF DUTIES**

**Condition:** Due to the size of the Boyd LaFourche Fresh Water District's accounting staff, there is an insufficient segregation of duties to have an effective internal control.

**Current status:** This finding still applies and is noted in the current audit for year ending December 31, 2003. (See current finding noted as 2003-2.)

**COMPLIANCE FINDINGS – Major Federal Award Programs Audit**

**2002-3 BUDGET AMENDMENTS**

**Condition:** Louisiana Statute requires that the District prepare a proposed budget and amend its operating budget when:

- (1) Total Revenue and other resources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted resources and other sources by five percent or more;
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more;
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

For the year ended December 31, 2003, the District did not prepare a proposed budget in accordance with Louisiana Statute and amend that budget for the Capital Projects Fund.

**Current status:** This finding still applies. The District did not properly budget revenues for the Capital Projects Fund for the year ended December 31, 2003. (See current finding noted as 2003-3.)

## Bayou Lafourche Fresh Water District

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Telephone (985) 447-7155 Fax (985) 447-6367

E-mail: [bfwd@bayoufreshwater.com](mailto:bfwd@bayoufreshwater.com)

### Water Levees, No. Pump Station Broussardsville, Louisiana (205) 474-7539

Comprehensive Audit Plan for  
Current Year Audit Findings  
For the Year Ended December 31, 2010

Ref/No. #	Description of Finding	Corrective Action Desired	Responsible Contact Person**	Anticipated Completion Date
2005-1	Separation of Duties	Not feasible at this time due to staff and budget limitations.	Ardith Christian, Jr.	N/A
2005-4	Separation of Duties	Not feasible at this time due to staff and budget limitations.	Ardith Christian, Jr.	N/A
2005-1	Budgeted and Actuals Budgets	The District will budget expenses for all funds and control the budget when applicable in accordance with Louisiana Statute.	Ardith Christian, Jr.	Immediately

The above corrective action plan addresses the auditor's current year findings. If you need additional information concerning the corrective action plan, please feel free to contact us.

  
 Ardith P. Christian, Jr., Director

\* Reference number the auditor assigns to the audit finding.  
 \*\* Name(s) of person primarily responsible for correcting action.

# Waguespack & Gallagher, LLC

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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

Board of Commissioners  
Bayou Lafourche Fresh Water District  
Thibodaux, Louisiana

We have audited the basic financial statements of the Bayou Lafourche Fresh Water District (the District), as of and for the year ended December 31, 2003, and have issued our report thereon dated May 19, 2004. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Louisiana Governmental Audit Guide issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants.

### Compliance

As part of obtaining reasonable assurance about whether the District's basic 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 is 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 financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one matter involving the internal control over financial reporting, and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2003-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly,

would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions noted in Item 2000-1 to be a material weakness.

This report is intended for the information of the Board of Commissioners, management, the Legislative Auditor and federal awarding agencies and pass-through entities.

*Waggoner + Guthrie, LLC*

May 18, 2004



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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners  
Bayou LaPlante Fresh Water District  
Thibodaux, Louisiana

### Compliance

We have tested the compliance of the Bayou LaPlante Fresh Water District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Audit and the Louisiana Society of Certified Public Accountants, and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

As described in Item 2003-5 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with the requirements regarding budget proposals and amendments that are applicable to its capital projects fund. Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In

planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted one matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2003-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition noted as 2003-2 to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the Legislative Auditor, and federal awarding agencies and pass-through entities.

*Wagner & Callahan, LLC*

May 19, 2004