

RECEIVED  
LEGISLATIVE AUDITOR

04 AUG 31 PM 1:17

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**YEARS ENDED JUNE 30, 2004 AND 2003**

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 9-8-04

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2004  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**TABLE OF CONTENTS**

	<u>Page No.</u>
<b>FINANCIAL STATEMENTS</b>	
Independent Auditors' Report.....	1
Required Supplemental Information (Part 1 of 2)	
Management's Discussion and Analysis.....	4
Government-Wide Financial Statements	
Statements of Net Assets.....	10
Statement of Activities – June 30, 2004.....	11
Statement of Activities – June 30, 2003.....	12
Fund Financial Statements	
Balance Sheets.....	14
Reconciliation of the Governmental Fund Balance Sheets to the Government-Wide Statements of Net Assets.....	16
Statements of Revenue, Expenditures and Changes in Fund Balances .....	17
Reconciliation of the Governmental Fund Statements of Revenues, Expenditures and Changes in Fund Balances to the Statements of Activities .....	19
Notes to Financial Statements	
Index.....	21
Notes.....	22
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule – June 30, 2004.....	35
Budgetary Comparison Schedule – June 30, 2003.....	36
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Per Diem Paid to Board Members.....	38
Schedule of Professional Service Payments.....	39

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 2004  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	40
Schedule of Findings and Questioned Costs .....	42
Summary Schedule of Prior Year Findings .....	43
Management's Corrective Action Plan .....	44
<b>OTHER REQUIRED SUPPLEMENTARY INFORMATION</b>	
Louisiana's Comprehensive Annual Financial Report.....	46

**FINANCIAL STATEMENTS**

JOHN D. BUTLER & COMPANY  
A PROFESSIONAL ACCOUNTING CORPORATION  
P. O. BOX 30  
BAKER, LOUISIANA 70704-0030  

---

  
(225) 775-4982

**INDEPENDENT AUDITORS' REPORT**

August 4, 2004

Board of Commissioners of the  
Amite River Basin Drainage  
and Water Conservation District  
State of Louisiana  
3535 South Sherwood Forest Boulevard  
Suite 135  
Baton Rouge, Louisiana 70816-2255

We have audited the accompanying basic financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the years ended June 30, 2004 and 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Amite River Basin Drainage and Water Conservation 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Amite River Basin Drainage and Water Conservation District as of June 30, 2004 and 2003, and the results of its operations for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Commissioners of the  
Amite River Basin Drainage  
and Water Conservation District  
State of Louisiana  
August 4, 2004  
Page Two

The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Amite River Basin Drainage and Water Conservation District's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2004, on our consideration of the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,



John D. Butler & Company  
A Professional Accounting Corporation

---

**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 1 OF 2)**

---

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2004 AND 2003**

---

The purpose of this section is to offer management's discussion and analysis of the Amite River Basin Drainage and Water Conservation District of the State of Louisiana's (hereafter referred to as the District) financial performance during the two years ended June 30, 2004. It should be read in conjunction with the financial report taken as a whole.

**Overview of the Financial Statement Presentation**

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

**Highlights of the District as a Whole**

For the past two years, the District has been spearheading the construction of the Comite River Diversion Canal Project. This is a \$163,000,000 Regional Flood Control Project to benefit portions of East Baton Rouge, Ascension and Livingston Parishes.

The project is funded 70% with federal funds, 25% with state funds and 5% with District funds. The District funds, to carry out the responsibilities of the District, are funded through a 3-mill, 10-year ad valorem tax approved by the citizens in the District in the year 2000.

For the last two years, our efforts have been concentrated in acquiring rights-of-way, preparation of plans and specifications for the various features of the canal – highways, bridges, railroad bridges and control structures. Construction has started on the Lilly Bayou Control Structure located at the western end of the proposed canal.

Other activities undertaken under the District's auspices include: (1) in cooperation with LSU, development of a Geographical Information System (GIS) for the Amite River Basin, (2) provide technical assistance to local governments towards the implementation of the Community Rating System (CRS) – this is a FEMA program to lower flood insurance rates to citizens affected by flooding, (3) through a Cooperative Agreement with the United States Geological Survey (USGS) maintain and operate river gauges along the Amite, Comite and Colyell Rivers. The information obtained through these gauges helps develop more accurate hydrologic and hydraulic modeling capabilities. Also, these river gauges are a critical and essential part for predicting flood stages during flooding events and is an indispensable tool for emergency preparedness managers and the public in general. A companion to this effort is a "Flood Tracking Chart" published by the District and free of charge to the general public.



**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

---

**Government-wide Financial Statements.** The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

*Statement of Net Assets.* This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

*Statement of Activities.* This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-12 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one category of funds: governmental funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the District include a general fund and a capital projects fund.

Budgetary comparison schedules are included for governmental funds under required supplementary information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final revised budgets.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

---

The fund financial statements can be found on pages 14-19 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 21 with the actual notes beginning immediately afterwards.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons on pages 36-37.

**Financial Analysis of the District**

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS  
Governmental Activities**

<b>Assets</b>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Current assets	\$ 211,437.43	\$ 164,191.52	\$ 177,425.92
Restricted assets	1,680,990.30	942,691.26	426,365.29
Capital assets, net	<u>4,208,068.93</u>	<u>611,780.93</u>	<u>2,830.00</u>
Total Assets	6,100,496.66	1,718,663.71	606,621.21
 <b>Liabilities</b>			
Current liabilities	7,391.97	6,594.28	8,330.30
Liabilities payable from restricted assets	3,242,227.99	.00	.00
Long-term liabilities	<u>4,573.88</u>	<u>5,793.48</u>	<u>5,318.00</u>
Total Liabilities	<u>3,254,193.84</u>	<u>12,387.76</u>	<u>13,648.30</u>
 <b>Net Assets</b>			
Invested in capital assets, net of related debt	998,068.93	611,780.93	2,830.00
Restricted	1,648,762.31	942,691.26	426,365.29
Unrestricted	<u>199,471.58</u>	<u>151,803.76</u>	<u>163,777.62</u>
Total Net Assets	<u>2,846,302.82</u>	<u>1,706,275.95</u>	<u>592,972.91</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

---

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS  
Governmental Activities**

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>			
Operating grants/contribution	\$ 200,000.00	\$ 206,917.00	\$ 200,000.00
General revenues:			
Property taxes	1,290,870.72	1,204,938.25	1,113,957.00
Interest earned	16,729.88	12,462.68	9,425.00
Total Revenues	<u>1,507,600.60</u>	<u>1,424,317.93</u>	<u>1,323,382.00</u>
<b>Expenses</b>			
General government	335,840.14	311,014.89	806,699.00
Interest paid	<u>31,733.59</u>	<u>.00</u>	<u>.00</u>
Total Expenses	<u>367,573.73</u>	<u>311,014.89</u>	<u>806,699.00</u>
Change in net assets	1,140,026.87	1,113,303.04	516,683.00
Net assets, beginning	<u>1,706,275.95</u>	<u>592,972.91</u>	<u>76,289.91</u>
Net assets, ending	<u>2,846,302.82</u>	<u>1,706,275.95</u>	<u>592,972.91</u>

**Budgetary Highlights**

The District has always operated within its annual budgetary constraints. In the last two years, the District has received \$200,000 per year from the State of Louisiana to supplement its budget.

The construction of the Comite River Diversion Canal Project has further improved the budgetary conditions of the District.

**Capital Asset and Debt Administration**

*Capital Assets:* The District's investment in capital assets, net of accumulated depreciation, at June 30, 2004 and 2003, was \$4,208,068.93 and \$611,780.93, respectively. Additions in 2003 included computers, a satellite workstation and construction (initial phase) of a diversion canal for the Comite River. Additions in 2004 consisted of continuing costs associated with the construction of the diversion canal. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

---

Capital assets at year-end are summarized as follows:

<b>CAPITAL ASSETS</b>			
<b>Net of Accumulated Depreciation</b>			
<b>Governmental Activities</b>			
	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Depreciable Assets</b>			
Furniture/equipment	\$ 8,068.93	\$ 11,780.93	\$ 2,830.00
Canals and drainage	4,200,000.00	600,000.00	.00
Total	<u>4,208,068.93</u>	<u>611,780.93</u>	<u>2,830.00</u>

*Long-Term Debt:* Long-term debt of the District includes compensated absences at amounts of \$4,573.88, \$5,793.48 and \$5,318.00 at June 30, 2004, 2003 and 2002, respectively. Additionally, certificates of indebtedness were issued in December of 2003, in the amount of \$3,600,000. Principal payments have been made totaling \$390,000 leaving a balance of \$3,210,000 at June 30, 2004.

**Economic Environment and Next Year's Budget**

We expect to receive supplemental appropriations from the State as we have been receiving in the past. The construction of the Comite River Diversion Canal Project is expected to be completed in six to eight years, providing a sound basis for the operation of the District.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability.

Any questions or requests for additional information can be obtained by contacting Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

---

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

---

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2004 AND 2003**

	Governmental Activities	
	2004	2003
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 211,437.43	\$ 164,191.52
Restricted Assets		
Cash and cash equivalents/capital projects	1,664,993.43	942,691.26
Non-Current Assets		
Capital assets, net of accumulated depreciation:		
Furniture and equipment	8,068.93	11,780.93
Canals and drainage	4,200,000.00	600,000.00
Total Non-Current Assets	4,208,068.93	611,780.93
Total Assets	6,084,499.79	1,718,663.71
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	2,933.64	2,146.36
Accrued salaries payable	4,458.33	4,447.92
Total Current Liabilities	7,391.97	6,594.28
Liabilities Payable from Restricted Assets		
Accounts payable	234.25	-
Accrued interest payable	15,996.87	-
Bonds payable, current portion of \$405,000	3,210,000.00	-
Total Liabilities Payable from Restricted Assets	3,226,231.12	-
Non-Current Liabilities		
Compensated absences payable	4,573.88	5,793.48
Total Liabilities	3,238,196.97	12,387.76
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	998,068.93	611,780.93
Restricted for capital projects	1,648,762.31	942,691.26
Unrestricted	199,471.58	151,803.76
Total Net Assets	2,846,302.82	1,706,275.95

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

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2004**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
	<u>Charges</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
General government	\$ 335,840.14	\$ 200,000.00	\$ -	\$ (135,840.14)
Interest on long-term debt	31,733.59	-	-	(31,733.59)
Total Governmental Activities/Primary Government	367,573.73	200,000.00	-	(167,573.73)
<b>General Revenues</b>				
Property taxes, levied for capital projects				1,290,870.72
Investment earnings				16,729.88
Total General Revenues				1,307,600.60
Change in Net Assets				1,140,026.87
Net Assets, beginning				1,706,275.95
Net Assets, ending				2,846,302.82

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2003**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
General government	\$ 311,014.89	\$ -	\$ 206,917.00	\$ (104,097.89)
Total Governmental Activities/Primary Government	311,014.89	-	206,917.00	(104,097.89)
<b>General Revenues</b>				
Property taxes, levied for capital projects				1,204,938.25
Investment earnings				12,462.68
Total General Revenues				1,217,400.93
Change in Net Assets				1,113,303.04
Net Assets, beginning, as restated				592,972.91
Net Assets, ending				1,706,275.95

The accompanying notes are an integral part of this statement.



**FUND FINANCIAL STATEMENTS**

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2004 AND 2003**

	2004			2003		
	General	Other Govern- mental Funds	Total Govern- mental Funds	General	Other Govern- mental Funds	Total Govern- mental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 211,437.43	\$ -	\$ 211,437.43	\$ 164,191.52	\$ -	\$ 164,191.52
Restricted assets:						
Cash and cash equivalents	-	1,664,993.43	1,664,993.43	-	942,691.26	942,691.26
<b>TOTAL ASSETS</b>	<b>211,437.43</b>	<b>1,664,993.43</b>	<b>1,876,430.86</b>	<b>164,191.52</b>	<b>942,691.26</b>	<b>1,106,882.78</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accounts payable	2,933.64	-	2,933.64	2,146.36	-	2,146.36
Accrued salaries payable	4,458.33	-	4,458.33	4,447.92	-	4,447.92
Liabilities payable from restricted assets:						
Accounts payable	-	234.25	234.25	-	-	-
Accrued interest payable	-	15,996.87	15,996.87	-	-	-
<b>Total Liabilities</b>	<b>7,391.97</b>	<b>16,231.12</b>	<b>23,623.09</b>	<b>6,594.28</b>	<b>-</b>	<b>6,594.28</b>

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BALANCE SHEETS (Continued)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2004 AND 2003**

	2004		2003	
	General	Other Govern- mental Funds	General	Other Govern- mental Funds
Fund Balances:				
Reserved for capital projects	\$ -	\$ 1,648,762.31	\$ -	\$ 942,691.26
Unreserved/undesignated	204,045.46	204,045.46	157,597.24	157,597.24
Total Fund Balances	204,045.46	1,648,762.31	157,597.24	942,691.26
<b>TOTAL LIABILITIES AND</b>		<b>1,852,807.77</b>		<b>1,100,288.50</b>
<b>FUND BALANCES</b>	<b>211,437.43</b>	<b>1,664,993.43</b>	<b>164,191.52</b>	<b>942,691.26</b>
		<b>1,876,430.86</b>		<b>1,106,882.78</b>

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS  
TO THE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS  
JUNE 30, 2004 AND 2003**

---

	<u>2004</u>	<u>2003</u>
Total Fund Balances - Total Governmental Funds	\$ 1,852,807.77	\$ 1,100,288.50
<p>Amounts reported for governmental activities in the Statements of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds. This is the reported amount of capital assets net of accumulated depreciation.</p>	4,208,068.93	611,780.93
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in these funds. Long- term liabilities include the following:</p>		
Compensated absences	(4,573.88)	(5,793.48)
Bonds payable	(3,210,000.00)	-
	2,846,302.82	1,706,275.95
Total Net Assets - Governmental Activities	2,846,302.82	1,706,275.95

The accompanying notes are an intergral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEARS ENDED JUNE 30, 2004 AND 2003**

	2004		2003	
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>
<b>REVENUES</b>				
State appropriation	\$ 200,000.00	\$ -	\$ 188,330.00	\$ -
Property taxes	-	1,290,870.72	-	1,204,938.25
Grant proceeds	-	-	18,587.00	-
Investment earnings	2,405.16	14,324.72	3,504.76	8,957.92
		<u>Total Govern- mental Funds</u>		<u>Total Govern- mental Funds</u>
		\$ 200,000.00	\$ 200,000.00	\$ 188,330.00
		1,290,870.72	1,290,870.72	1,204,938.25
		-	-	18,587.00
		14,324.72	16,729.88	8,957.92
		<u>Total</u>	<u>Total</u>	<u>Total</u>
		202,405.16	1,507,600.60	210,421.76
		1,305,195.44	1,507,600.60	1,213,896.17
<b>Total Revenues</b>				
		202,405.16	1,507,600.60	210,421.76
		1,305,195.44	1,507,600.60	1,213,896.17
		<u>Total</u>	<u>Total</u>	<u>Total</u>
		1,507,600.60	1,507,600.60	1,424,317.93
<b>EXPENDITURES</b>				
General government	237,255.17	59,246.57	260,466.80	47,538.54
Capital outlay	-	3,600,000.00	11,485.00	600,000.00
Debt service:				
Principal	-	390,000.00	-	-
Interest	-	31,733.59	-	-
		<u>Total</u>	<u>Total</u>	<u>Total</u>
		237,255.17	4,318,235.33	271,951.80
		4,080,980.16	4,318,235.33	647,538.54
<b>Total Expenditures</b>				
		237,255.17	4,318,235.33	271,951.80
		4,080,980.16	4,318,235.33	647,538.54
		<u>Total</u>	<u>Total</u>	<u>Total</u>
		4,318,235.33	4,318,235.33	919,490.34
<b>Excess (Deficiency) of Revenues over Expenditures</b>				
		(34,850.01)	(2,810,634.73)	(61,530.04)
		(2,775,784.72)	(2,810,634.73)	566,357.63
				504,827.59

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**GOVERNMENTAL FUNDS**  
**YEARS ENDED JUNE 30, 2004 AND 2003**

	2004			2003		
	General	Other Govern- mental Funds	Total Govern- mental Funds	General	Other Govern- mental Funds	Total Govern- mental Funds
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	\$ 81,298.23	\$ -	\$ 81,298.23	\$ 50,050.98	\$ -	\$ 50,050.98
Transfers to other funds	-	(81,298.23)	(81,298.23)	-	(50,050.98)	(50,050.98)
Proceeds of bond issue	-	3,600,000.00	3,600,000.00	-	-	-
Bond-related expenses	-	(36,846.00)	(36,846.00)	-	-	-
Total Other Financing Sources (Uses)	81,298.23	3,481,855.77	3,563,154.00	50,050.98	(50,050.98)	-
Net Change in Fund Balances	46,448.22	706,071.05	752,519.27	(11,479.06)	516,306.65	504,827.59
Fund balances, beginning	157,597.24	942,691.26	1,100,288.50	163,758.30	426,384.61	590,142.91
Prior period adjustment	-	-	-	5,318.00	-	5,318.00
Fund balances, ending	204,045.46	1,648,762.31	1,852,807.77	157,597.24	942,691.26	1,100,288.50

The accompanying notes are an integral part of this statement.

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2004 AND 2003**

---

	<u>2004</u>	<u>2003</u>
Net Change in Fund Balances - Total Governmental Funds	\$ 752,519.27	\$ 504,827.59
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
	3,596,288.00	608,950.93
 Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds exceeded repayments.		
	(3,210,000.00)	-
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in compensated absences.		
	<u>1,219.60</u>	<u>(475.48)</u>
Change in Net Assets - Governmental Activities	<u><u>1,140,026.87</u></u>	<u><u>1,113,303.04</u></u>

The accompanying notes are an intergral part of this statement.

---

**NOTES TO FINANCIAL STATEMENTS**

---



**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
1	Summary of Significant Accounting Policies .....	22
2	Cash and Cash Equivalents .....	27
3	Restricted Assets.....	28
4	Capital Assets.....	28
5	Leave .....	29
6	Retirement System .....	30
7	Post Retirement Health Care and Life Insurance Benefits.....	30
8	Leases .....	30
9	Accounts and Other Payables.....	31
10	Long-Term Liabilities .....	31
11	Grants .....	32
12	Interfund Transactions.....	33
13	Related Party Transactions.....	33
14	Litigation .....	33
15	Prior Period Adjustment.....	33
16	Subsequent Events.....	33

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

**INTRODUCTION**

The Amite River Basin Drainage and Water Conservation District is a component unit of the State of Louisiana as provided by Louisiana Revised Statute §38:3301-3309. The District serves as a multi-parish authority to accomplish flood control measures, facilitate cooperation between federal, state and local governing bodies to foster floodplain management, maintain and operate structures built under the auspices of the Amite River Basin Commission and coordinate river management within the basin. It is charged with the responsibility to establish adequate drainage, flood control and water development including, but not limited to, construction of reservoirs, diversion canals, gravity and pumped drainage systems and other flood control works. The basin includes all territory within the watershed limits of the Amite River and tributaries covering areas within the parishes of East Baton Rouge, St. Helena, East Feliciana, Livingston and those portions east of U.S. Highway 61 in Ascension and St. James Parishes.

The District is managed by a Board of Commissioners composed of 13 members that are appointed by the Governor of the State of Louisiana and serve terms concurrent with that of the Governor. Domiciled in Baton Rouge, the District is advised by the Louisiana Department of Transportation and Development. Commissioners, as authorized by Louisiana Revised Statute §38:3304, receive a per diem to attend meetings or conduct board-approved business not to exceed \$60 per day.

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

The accounting and reporting practice of the Amite River Basin Drainage and Water Conservation District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute §24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity:** Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the majority of the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Amite River Basin Drainage and Water Conservation District.

**Government-wide Accounting:** In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net assets and statement of activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

*Eliminating Internal Activity*

Interfund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

*Application of FASB Statements and Interpretations*

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

*Capitalizing Assets*

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Using the requirements of GASB Statement No. 34, the District is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The District has opted not to retroactively report these types of capital assets.

*Program Revenues*

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

nature, are revenues arising from receipts that are reserved for a specific use.

*Indirect Expenses*

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

*Operating Revenues*

Proprietary funds separately report operating and non-operating revenues.

*Reserved Net Assets*

Reserved net assets are those for which a constraint has been imposed either externally or by law. The District recognized the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

**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 relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General – accounts for all activities not required to be reported in another fund;
2. Capital Projects – accounts for the flow of resources related to the construction, acquisition or renovation of capital assets; and

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

**Basis of Accounting/Measurement Focus:** In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

**Budgets and Budgetary Accounting:** The District adopts an annual budget for all of its funds, prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

The budget is submitted to the State of Louisiana as prescribed by Louisiana Revised Statute §36:803 and submitted to the Legislature in accordance with §39:1331-1342. Although budget amounts lapse at year-end, the District retains its unexpended fund balances to fund expenditures of the succeeding year.

**Cash and Cash Equivalents:** Cash includes amounts in interest bearing demand deposits and funds held by the Louisiana Asset Management Pool (LAMP). Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Investments:** Investments are limited by Louisiana Revised Statute §33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The District did not have any investments at June 30, 2004 or 2003.

**Inventory:** Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Restricted Assets:** Certain proceeds of the District, primarily property taxes, are classified as restricted assets on the balance sheet because their use is limited.

**Capital Assets:** The District's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipments	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the District has elected to not report its governmental infrastructure retroactively. From this point forward, the District will use the basic approach to infrastructure reporting for its governmental activities when applicable.

**Compensated Absences:** At June 30, 2004 and 2003, employees of the District had accumulated and vested \$4,573.88 and \$5,793.48 of employee leave benefits that were computed in accordance with GASB Codification Section C60.150.

**Long-Term Obligations:** In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

**Net Assets/Fund Balances:** In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

*Invested in Capital Assets, Net of Related Debt*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets*

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

*Unrestricted Net Assets*

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Reserved*

These resources are segregated because their use is earmarked for a specific use.

*Unreserved*

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

**Interfund Transactions:** All interfund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide statements.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents (book balances) at June 30, 2004 and 2003:

	<u>General Fund</u>		<u>Capital Projects Fund</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Petty cash	\$ 200.00	\$ 200.00	\$ .00	\$ .00
Interest-bearing demand deposits	11,261.73	5,412.31	50,660.70	46,634.66
LAMP	<u>199,975.70</u>	<u>158,579.21</u>	<u>1,614,332.73</u>	<u>896,056.60</u>
Total	<u>211,437.43</u>	<u>164,191.52</u>	<u>1,664,993.43</u>	<u>942,691.26</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

Following the issuance of GASB Statement No. 3, deposits are categorized into these categories of credit risk:

1. Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name;
2. Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name; or
3. Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name.

All deposits of the District fall within category 1. The collected bank balances at June 30, 2004 and 2003, were \$52,157.31 and \$69,607.42, respectively.

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets include cash and cash equivalents of \$1,664,993.43 at June 30, 2004, and \$942,691.26 at June 30, 2003, and inter-fund receivables of \$15,996.87 at June 30, 2004. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 40,707.36	\$ .00	\$ .00	\$ 40,707.36
Less: accumulated depreciation	28,926.43	3,712.00	.00	32,638.43
Total Furniture and equipment	<u>11,780.93</u>	<u>3,712.00</u>	<u>.00</u>	<u>8,068.93</u>



**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Canals and drainage	\$ 600,000.00	\$3,600,000.00	\$ .00	\$4,200,000.00
Less: accumulated depreciation	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Total Canals and drainage	<u>600,000.00</u>	<u>3,600,000.00</u>	<u>.00</u>	<u>4,200,000.00</u>
Total Capital Assets, being depreciated, net	<u>611,780.93</u>	<u>3,596,288.00</u>	<u>.00</u>	<u>4,208,068.93</u>

Capital asset activity for the year ended June 30, 2003, was as follows:

Capital Assets, being depreciated				
Furniture and equipment	40,707.36	.00	.00	40,707.36
Less: accumulated depreciation	<u>26,392.36</u>	<u>2,534.07</u>	<u>.00</u>	<u>28,926.43</u>
Total Furniture and equipment	<u>14,315.00</u>	<u>2,534.07</u>	<u>.00</u>	<u>11,780.93</u>
Canals and drainage	.00	600,000.00	.00	600,000.00
Less: accumulated depreciation	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Total Canals and drainage	<u>.00</u>	<u>600,000.00</u>	<u>.00</u>	<u>600,000.00</u>
Total Capital Assets, being depreciated, net	<u>14,315.00</u>	<u>597,465.93</u>	<u>.00</u>	<u>611,780.93</u>

**NOTE 5 – LEAVE**

*Annual and Sick Leave.* The District' employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward o succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure when leave is actually taken. The cost of leave privileges not requiring current resources is recorded for governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$4,573.88 and \$5,793.48 for June 30, 2004 and 2003, respectively.

*Compensatory Leave.* Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2004 or 2003.

**NOTE 6 – RETIREMENT SYSTEM**

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), a multiple-employer, and defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804, 225-922-0600.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the District contributes an additional 13% each year. These requirements are set by state statute and differ from the contribution requirement determined using actuarial methods. Contributions to the System for the years ended June 30, 2004, 2003 and 2002, were \$16,839, \$15,174 and \$13,547.

**NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly premiums at 50% District and 50% retired person. The District does not currently have any retired persons to which it provides post retirement benefits.

**NOTE 8 – LEASES**

*Operating Leases.* The District leases office space on an annual basis. For the year ended June 30, 2004, payments of \$19,529 were made while \$16,638 was made in the preceding year. The current monthly rental amount is \$1,656.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

A copier is leased on a month-to-month basis from Xerox Corporation for \$182.33 per month or \$2,187.96 annually.

*Capital Leases.* The District has no capital leases.

**NOTE 9 – ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at June 30, 2004 and 2003:

<u>Class of Payables</u>	<u>General</u>	<u>Capital Projects</u>
Accounts	\$ 2,933.64	\$ 234.25
Salaries	4,458.33	.00
Interest	<u>.00</u>	<u>15,996.87</u>
Total at June 30, 2004	<u>7,391.97</u>	<u>16,231.12</u>
Accounts	2,146.36	.00
Salaries	<u>4,447.92</u>	<u>.00</u>
Total at June 30, 2003	<u>6,594.28</u>	<u>.00</u>

**NOTE 10 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable	\$ .00	\$ 3,600,000.00	\$ 390,000.00	\$ 3,210,000.00	\$ 405,000.00
Compensated absences	<u>5,793.48</u>	<u>5,018.00</u>	<u>6,237.60</u>	<u>4,573.88</u>	<u>.00</u>
Total	<u>5,793.48</u>	<u>3,605,018.00</u>	<u>396,237.60</u>	<u>3,214,573.88</u>	<u>405,000.00</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

Activity as of June 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	5,318.00	6,863.60	6,388.12	5,793.48	.00

The District, as authorized under Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950 and other constitutional and statutory authority, issued Limited Tax Certificates of Indebtedness, Series 2003 in the amount of \$3,600,000 in December of 2003. The purpose of these funds is to provide necessary revenues to carry out the District's local share of the Comite River Diversion Canal Project as authorized in a proposition approved by the voters on July 15, 2000. Repayment will be made from the levy and collection of a 3 mills tax authorized to be levied each year through 2010.

Repayment is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Rate</u>
June 30, 2005	\$ 405,000.00	\$ 63,987.50	.100%
June 30, 2006	420,000.00	63,582.50	.100%
June 30, 2007	440,000.00	63,162.50	.100%
June 30, 2008	460,000.00	62,722.50	.100%
June 30, 2009	475,000.00	62,262.50	.350%
June 30, 2010	495,000.00	60,600.00	6.000%
June 30, 2011	<u>515,000.00</u>	<u>30,900.00</u>	6.000%
Total	<u>3,210,000.00</u>	<u>407,217.50</u>	

**NOTE 11 – GRANTS**

In June of 2000, the District was awarded federal assistance by the Federal Emergency Management Agency (EMT-2000-CA-0045) in the amount of \$100,000. The funds were used to assess and evaluate flood mapping needs as well as collection and review of flood studies within the Amite River Basin. Provided as a cost reimbursement basis, the final installment of this grant was received during the year ended June 30, 2003, in the amount of \$18,587.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

---

**NOTE 12 – INTERFUND TRANSACTIONS**

Transfers among governmental funds was as follows:

	<u>General</u>	<u>Capital Projects</u>
Transfers from other funds	\$ 81,298.23	\$ .00
Transfers to other funds	<u>.00</u>	<u>81,298.23</u>
Total Transfers - June 30, 2004	<u>81,298.23</u>	<u>81,298.23</u>
Transfers from other funds	50,050.98	.00
Transfers to other funds	<u>.00</u>	<u>50,050.98</u>
Total Transfers - June 30, 2003	<u>50,050.98</u>	<u>50,050.98</u>

**NOTE 13 – RELATED PARTY TRANSACTIONS**

There are no related party transactions that require disclosure.

**NOTE 14 – LITIGATION**

There is no litigation that would require disclosure in this report.

**NOTE 15 – PRIOR PERIOD ADJUSTMENT**

In prior years, compensated absences were included in the fund financial statements at \$5,318 as is customary for enterprise funds. This amount was added back to fund balances at July 1, 2002, in the accompanying financial statements in order to reflect the accounting policies applicable to governmental funds.

**NOTE 16 – SUBSEQUENT EVENTS**

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART 2 OF 2)**

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2004**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
State appropriation	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ -
Investment earnings	-	-	2,405.16	2,405.16
Total Revenues	200,000.00	200,000.00	202,405.16	2,405.16
<b>EXPENDITURES</b>				
Personal services	153,950.00	139,900.00	139,471.09	428.91
Travel	4,500.00	2,500.00	1,795.39	704.61
Advertising, dues and subscriptions	2,300.00	3,000.00	1,363.60	1,636.40
Printing, duplication, typing and binding	2,000.00	2,000.00	1,553.44	446.56
Communications	4,500.00	6,900.00	10,023.31	(3,123.31)
Rentals	18,500.00	23,500.00	21,826.35	1,673.65
Maintenance/property and equipment	500.00	1,500.00	1,903.85	(403.85)
Professional services	67,475.00	34,000.00	20,061.48	13,938.52
Insurance and surety bonds	28,400.00	35,000.00	1,339.00	33,661.00
Materials and supplies	2,000.00	3,000.00	2,167.66	832.34
Intergovernmental	35,000.00	35,750.00	35,750.00	-
Total General Government	319,125.00	287,050.00	237,255.17	49,794.83
Capital outlay	3,000.00	1,000.00	-	1,000.00
Total Expenditures	322,125.00	288,050.00	237,255.17	50,794.83
Excess (Deficiency) of Revenues over Expenditures	(122,125.00)	(88,050.00)	(34,850.01)	53,199.99
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	122,125.00	88,050.00	81,298.23	(6,751.77)
Net Change in Fund Balances	-	-	46,448.22	46,448.22
Fund Balances, beginning	163,758.30	163,758.30	157,597.24	6,161.06
Fund Balances, ending	163,758.30	163,758.30	204,045.46	52,609.28

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2003**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
State appropriation	\$ 200,000.00	\$ 200,000.00	\$ 188,330.00	\$ (11,670.00)
Grant proceeds	20,000.00	20,000.00	18,587.00	1,413.00
Investment earnings	-	-	3,504.76	3,504.76
Total Revenues	220,000.00	220,000.00	210,421.76	(6,752.24)
<b>EXPENDITURES</b>				
Personal services	137,600.00	137,600.00	136,604.13	995.87
Travel	4,500.00	4,500.00	3,533.59	966.41
Advertising, dues and subscriptions	2,300.00	2,300.00	1,502.89	797.11
Printing, duplication, typing and binding	2,000.00	2,000.00	1,256.49	743.51
Communications	4,500.00	4,500.00	5,432.92	(932.92)
Rentals	18,500.00	18,500.00	17,373.05	1,126.95
Maintenance/property and equipment	500.00	500.00	1,926.52	(1,426.52)
Professional services	11,600.00	30,475.00	27,842.30	2,632.70
Insurance and surety bonds	1,500.00	28,417.00	1,236.83	27,180.17
Materials and supplies	2,000.00	2,000.00	1,958.08	41.92
Intergovernmental	35,000.00	35,000.00	61,800.00	(26,800.00)
Total General Government	220,000.00	265,792.00	260,466.80	5,325.20
Capital outlay	-	5,000.00	11,485.00	(6,485.00)
Total Expenditures	220,000.00	270,792.00	271,951.80	(1,159.80)
Excess (Deficiency) of Revenues over Expenditures	-	(50,792.00)	(61,530.04)	(10,738.04)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	-	50,792.00	50,050.98	(741.02)
Net Change in Fund Balances	-	-	(11,479.06)	(11,479.06)
Fund Balances, beginning	163,758.30	163,758.30	163,758.30	-
Prior period adjustment	-	-	5,318.00	5,318.00
Fund Balances, ending	163,758.30	163,758.30	157,597.24	(6,161.06)

See Auditors' Report



**SUPPLEMENTAL INFORMATION**

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2004 AND 2003**

---

<u>Name</u>	<u>2004</u>	<u>2003</u>
Bell, Patrick	\$ 1,260.00	\$ 1,320.00
Bourgeois, Paul A.	780.00	660.00
Callender, Lawrence E.	840.00	1,020.00
Cornette, Russell W.	540.00	540.00
Knost, Dotti G.	420.00	240.00
Lee, Willie George	720.00	660.00
Louque, Terry	900.00	840.00
McDaniel, Mike D.	.00	360.00
Mellon, Robert S.	120.00	600.00
Thompson, Don	1,200.00	1,200.00
Williams, Robert C.	600.00	780.00
	<hr/>	<hr/>
Totals	<u>7,380.00</u>	<u>8,220.00</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS  
YEARS ENDED JUNE 30, 2004 AND 2003**

---

The following payments were made to contractors for professional services rendered for surveys, feasibility studies and/or special studies:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
8/15/2002	Louisiana State University - Office of Sponsored Programs Assessment and evaluation of flood mapping needs and collection and review of flood studies within the Amite River Basin	\$ 17,076.34
10/23/2003	Louisiana State University - Office of Sponsored Programs Delineation and definition of watersheds within the Amite River Basin in GIS format	<u>10,000.00</u>
	Total Paid for Surveys and/or Studies	<u><u>27,076.34</u></u>

See Auditors' Report

JOHN D. BUTLER & COMPANY  
A PROFESSIONAL ACCOUNTING CORPORATION  
P. O. BOX 30  
BAKER, LOUISIANA 70704-0030  

---

  
(225) 775-4982

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

August 4, 2004

Board of Commissioners of the  
Amite River Basin Drainage  
And Water Conservation District  
State of Louisiana  
3535 South Sherwood Forest Boulevard  
Suite 135  
Baton Rouge, Louisiana 70816-2255

We have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the two years ended June 30, 2004 and 2003, and have issued our report thereon dated August 4, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Amite River Basin Drainage and Water Conservation 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*.

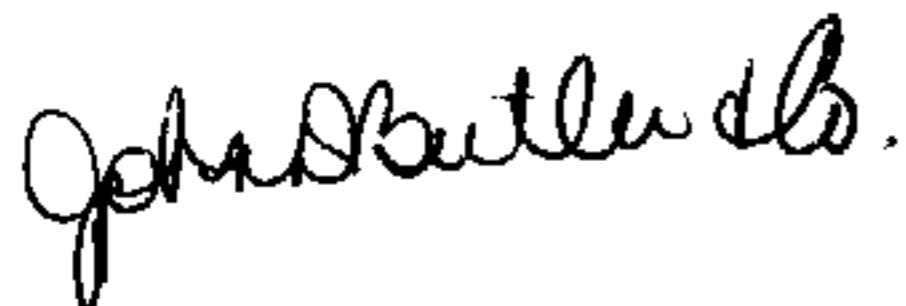
Board of Commissioners of the  
Amite River Basin Drainage  
and Water Conservation District  
State of Louisiana  
August 4, 2004  
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Amite River Basin Drainage and Water Conservation 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. 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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute §24:513, the Legislative Auditor distributes this report as a public document.

Sincerely,

A handwritten signature in cursive script that reads "John D. Butler db." The signature is written in black ink and is positioned above the printed name of the signatory.

John D. Butler & Company  
A Professional Accounting Corporation

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED JUNE 30, 2004 AND 2003**

---

We have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the two years ended June 30, 2004 and 2003, and have issued our report thereon dated August 4, 2004. 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. Our audit of the financial statements as of June 30, 2004 and 2003 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

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

Internal Control	Material Weakness	<input type="checkbox"/> No
	Reportable Condition	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

2. Federal Awards

N/A

**Section II Financial Statement Findings**

N/A

**Section III Federal Award Findings and Questioned Costs**

N/A

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEARS ENDED JUNE 30, 2004 AND 2003**

---

**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEARS ENDED JUNE 30, 2004 AND 2003**

---

**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II     Internal Control and Compliance Material to Federal Awards**

N/A

**Section III    Management Letter**

N/A



---

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

---

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
JUNE 30, 2004 AND 2003**

---

**LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT**

As a component unit of the State of Louisiana, the financial statements of the Amite River Basin Drainage and Water Conservation District are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT  
Annual Financial Statements  
June 30, 2004

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

MD&A

Balance Sheet A

Statement of Revenues, Expenses, and Changes in Fund Net Assets B

Statement of Activities C

Statement of Cash Flows D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments
- D. Capital Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Post Retirement Health Care and Life Insurance Benefits
- J. Leases
- K. Long-Term Liabilities
- L. Litigation
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Cooperative Endeavors
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets

Schedules

- 1 Schedule of Per Diem Paid Board Members
- 2 Schedule of State Funding
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions

STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2004

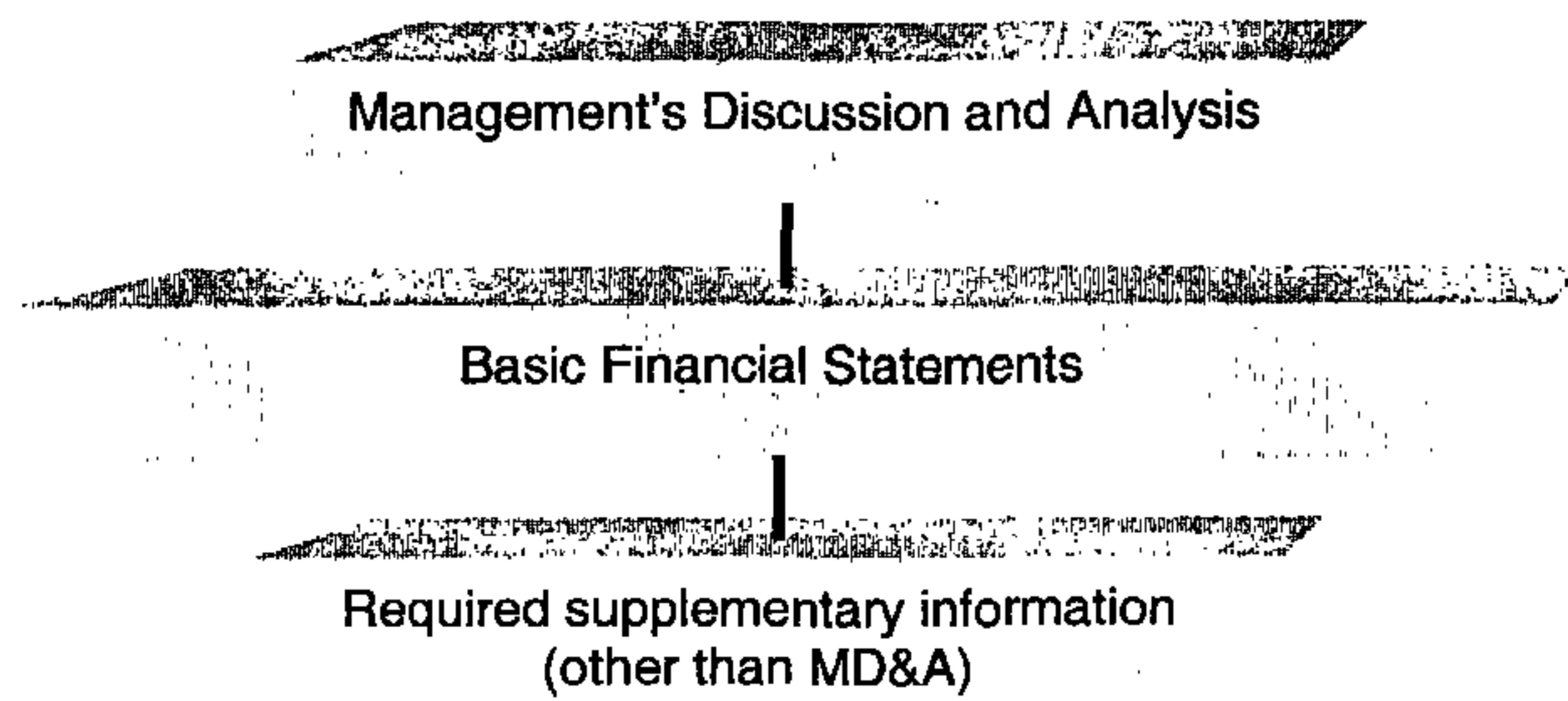
The Management's Discussion and Analysis of the Amite River Basin Drainage and Water Conservation District's (BTA) financial performance presents a narrative overview and analysis of Amite River Basin Drainage and Water Conservation District's (BTA) financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Amite River Basin Drainage and Water Conservation District's (BTA) financial statements, which begin on page 54.

**FINANCIAL HIGHLIGHTS**

- ★ The Amite River Basin Drainage and Water Conservation District's (BTA) assets exceeded its liabilities at the close of fiscal year 2004 by \$2,846,303, which represents a 67% increase from last fiscal year. The net assets decreased by \$1,140,027.
- ★ The Amite River Basin Drainage and Water Conservation District's (BTA) revenue decreased by \$83,283(or 6%) while the net results from activities increased by \$26,734(or 3%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2004  
**Basic Financial Statements**

The basic financial statements present information for the Amite River Basin Drainage and Water Conservation District (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (page 54) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Amite River Basin Drainage and Water Conservation District (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 55) presents information showing how Amite River Basin Drainage and Water Conservation District's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages 58-59) presents information showing how Amite River Basin Drainage and Water Conservation District's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
 as of June 30, 2004 and 2003  
 (in thousands)

	Total	
	2004	2003
Current and other assets	\$ 211,437	\$ 1,106,882
Capital assets	5,889,059	611,781
Total assets	<u>6,100,496</u>	<u>1,718,663</u>
Other liabilities	444,619	6,594
Long-term debt outstanding	2,809,574	5,793
Total liabilities	<u>3,254,193</u>	<u>12,387</u>
Net assets:		
Invested in capital assets, net of debt	998,069	611,781
Restricted	1,648,762	942,691
Unrestricted	199,472	151,804
Total net assets	<u>\$ 2,846,303</u>	<u>\$ 1,706,276</u>

STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2004

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

Net assets of Amite River Basin Drainage and Water Conservation District's (BTA) decreased by \$1,140,027, or 67%, from June 30, 2003 to June 30, 2004. One of the major causes of this decrease is the inclusion of infrastructure assets. This class of asset, which includes roads, bridges, and levees, was not included in general fixed assets of Amite River Basin Drainage and Water Conservation District (BTA) under the basis of accounting prior to adoption of GASB Statement 34.

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 for the year ended June 30, 2004 and 2003  
 (in thousands)

	Total	
	2004	2003
Operating revenues	\$ 0	\$ 0
Operating expenses	-335,840	-311,015
Operating income(loss)	-335,840	-311,015
Non-operating revenues(expenses)	1,475,867	1,424,318
Income(loss) before transfers	1,140,027	1,113,303
Transfers in	0	0
Transfers out	0	0
Net increase(decrease) in net assets	\$ 1,140,027	\$ 1,113,303

The Amite River Basin Drainage and Water Conservation District's (BTA) total revenues decreased by \$83,283 or (6%). The total cost of all programs and services increased by \$248 or less than 1%.

**STATEMENT OF CASH FLOWS**

Another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2004

**Statement of Cash Flows**  
 (in thousands)

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents provided used by:		
Operating activities	\$ (316,320)	\$ (808,597)
Capital Financial Activities	869,137	0
Non-capital financing activities	200,000	1,313,957
Investing activities	<u>16,730</u>	<u>9,425</u>
Net increase in cash and cash equivalents	769,547	514,785
Cash and cash equivalents		
Beginning of year	<u>1,106,883</u>	89,006
End of year	<u>\$ 1,876,430</u>	<u>\$ 603,791</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2004, the Amite River Basin Drainage and Water Conservation District (BTA) had \$4,208,069 invested in a broad range of capital assets, including furniture, equipment and flood control infrastructure. (See Table below) This amount represents a net increase (including additions and deductions) of \$3,596,288, or nearly 600%, over last year.

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

	<u>2004</u>	<u>2003</u>
Furniture/equipment	\$ 8,069	\$ 11,781
Canals and drainage	<u>4,200,000</u>	<u>600,000</u>
Totals \$ \$	<u><u>4,208,069</u></u>	<u><u>\$ 611,781</u></u>

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

- Computers and peripheral equipment
- Initial phase of diversion canal

STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2004  
**Debt**

The Amite River Basin Drainage and Water Conservation District (BTA) had \$ 3,210 thousand in bonds and notes outstanding at year-end, compared to none last year.

Outstanding Debt at Year-end  
 (in thousands)

	<u>2004</u>	<u>2003</u>
General Obligation Bonds	\$ 3,210,000	\$ 0
Revenue Bonds and Notes	<u>0</u>	<u>0</u>
Totals \$	<u><u>3,210,000</u></u>	<u><u>-</u></u>

New debt resulted from the issuance of \$3,600,000 in series 2003 certificates of indebtedness.

The Amite River Basin Drainage and Water Conservation District (BTA)'s bond rating continues to carry the highest rating for general obligation bonds.

The Amite River Basin Drainage and Water Conservation District (BTA) has no claims and judgments. Other obligations include accrued vacation pay.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$2,405 over budget and expenditures were less than budget by \$50,795 due in part to lower insurance rates and less professional services required than anticipated.

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

The Amite River Basin Drainage and Water Conservation District's (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Appropriations from the State at the same level as in past years.
- Construction phase of the Comite River Diversion Canal Project.

The Amite River Basin Drainage and Water Conservation District (BTA) expects that next year's results will improve based on the following :

- Careful review of spending



**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2004**

**CONTACTING THE AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION  
DISTRICT'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Amite River Basin Drainage and Water Conservation District's (BTA) finances and to show the Amite River Basin Drainage and Water Conservation District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 BALANCE SHEET  
 AS OF JUNE 30, 2004**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents (Note C1)	\$ 211,437
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
<b>Total current assets</b>	<b>211,437</b>

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	1,664,993
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	8,069
Infrastructure	4,200,000
Construction in progress	
Other noncurrent assets	
<b>Total noncurrent assets</b>	<b>5,873,062</b>
<b>Total assets</b>	<b>\$ 6,084,499</b>

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 2,933
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	4,458
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	421,231
Bonds payable	
Other long-term liabilities	
<b>Total current liabilities</b>	<b>428,622</b>

**NON-CURRENT LIABILITIES:**

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	4,574
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	2,805,000
Bonds payable	
Other long-term liabilities	
<b>Total long-term liabilities</b>	<b>2,809,574</b>
<b>Total liabilities</b>	<b>3,238,196</b>

**NET ASSETS**

Invested in capital assets, net of related debt	998,069
Restricted for:	
Capital projects	1,648,762
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	199,472
<b>Total net assets</b>	<b>2,846,303</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,084,499</b>

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

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2004**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____
Administrative	332,128
Depreciation	3,712
Amortization	_____
Total operating expenses	335,840
Operating income(loss)	(335,840)
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	200,000
Intergovernmental revenues (expenses)	_____
Taxes	1,290,871
Use of money and property	16,730
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	(31,734)
Other	_____
Total non-operating revenues(expenses)	1,475,867
Income(loss) before contributions and transfers	1,140,027
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	1,140,027
Total net assets – beginning as restated	1,706,276
Total net assets – ending	\$ 2,846,303

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

Statement B

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Program Revenues</u>				Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Entity	\$ <u>367,574</u>	\$ <u>0</u>	\$ <u>200,000</u>	\$ <u>0</u>	\$ <u>(167,574)</u>
General revenues:					
Taxes					<u>1,290,871</u>
State appropriations					<u>                    </u>
Grants and contributions not restricted to specific programs					<u>                    </u>
Interest					<u>                    </u>
Miscellaneous					<u>16,730</u>
Special items					<u>                    </u>
Transfers					<u>                    </u>
Total general revenues, special items, and transfers					<u>1,307,601</u>
Change in net assets					<u>1,140,027</u>
Net assets - beginning					<u>1,706,276</u>
Net assets - ending					<u>\$ 2,846,303</u>

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2004\_\_**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		<u>(178,069)</u>
Cash payments to employees for services		<u>(138,251)</u>
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>(316,320)</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		<u>200,000</u>
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>200,000</u>
<b>Cash flows from capital and related financing</b>		
Proceeds from sale of bonds		<u>3,600,000</u>
Principal paid on bonds		<u>(390,000)</u>
Interest paid on bond maturities		<u>(15,737)</u>
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		<u>(3,600,000)</u>
Proceeds from sale of capital assets		
Capital contributions		
Other		<u>1,274,874</u>
Net cash provided(used) by capital and related financing activities		<u>869,137</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>16,730</u>
Net cash provided(used) by investing activities		<u>16,730.00</u>
Net increase(decrease) in cash and cash equivalents		<u>769,547.00</u>
Cash and cash equivalents at beginning of year		<u>1,106,883.00</u>
Cash and cash equivalents at end of year	\$	<u>1,876,430.00</u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2004**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>(335,840)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>3,712</u>	
Provision for uncollectible accounts	<u>          </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>          </u>	
(Increase)decrease in due from other funds	<u>          </u>	
(Increase)decrease in prepayments	<u>          </u>	
(Increase)decrease in inventories	<u>          </u>	
(Increase)decrease in other assets	<u>          </u>	
Increase(decrease) in accounts payable and accruals	<u>17,028</u>	
Increase(decrease) in accrued payroll and related benefits	<u>          </u>	
Increase(decrease) in compensated absences payable	<u>(1,220)</u>	
Increase(decrease) in due to other funds	<u>          </u>	
Increase(decrease) in deferred revenues	<u>          </u>	
Increase(decrease) in other liabilities	<u>          </u>	
 Net cash provided(used) by operating activities		 \$ <u><u>(316,320)</u></u>

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

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004\_\_\_\_\_**

**INTRODUCTION**

The Amite River Basin Drainage and Water Conservation District (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute §38:3301-3309. The following is a brief description of the operations of Amite River Basin Drainage and Water Conservation District (BTA) which includes the parish/parishes in which the (BTA) is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

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

The accompanying financial statements of Amite River Basin Drainage and Water Conservation District present information only as to the transactions of the programs of the Amite River Basin Drainage and Water Conservation District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Amite River Basin Drainage and Water Conservation District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Amite River Basin Drainage and Water Conservation District (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:





**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 2004**

The deposits at June 30, 2004, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 1,876,230	\$ _____	\$ _____	\$ 1,876,230.00

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Hibernia Bank</u>	<u>General</u>	\$ 12,476
2. <u>LAMP</u>	<u>General</u>	199,976
3. <u>Hancock Bank</u>	<u>Capital Projects</u>	57,131
4. <u>LAMP</u>	<u>Capital Projects</u>	1,614,333
Total		\$ 1,883,916

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ 0
Petty cash	\$ 200

**2. INVESTMENTS**

The Amite River Basin Drainage and Water Conservation District (BTA) does not maintain investment accounts.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2004						Balance 6/30/2004
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 7/1/2003	Additions	Transfers*	Retirements	
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	40,707	--	--	--	40,707	--	40,707
Less accumulated depreciation	(28,926)	--	--	(3,712)	(32,638)	--	(32,638)
Total furniture, fixtures, and equipment	11,781	--	--	(3,712)	8,069	--	8,069
Buildings and improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	600,000	--	--	3,600,000	4,200,000	--	4,200,000
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	600,000	--	--	3,600,000	4,200,000	--	4,200,000
Total other capital assets	611,781	--	--	3,596,288	4,208,069	--	4,208,069
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	640,707	--	--	3,600,000	4,240,707	--	4,240,707
Total cost of capital assets	640,707	--	--	3,600,000	4,240,707	--	4,240,707
Less accumulated depreciation	(28,926)	--	--	(3,712)	(32,638)	--	(32,638)
Capital assets, net	611,781	--	--	3,596,288	4,208,069	--	4,208,069

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004\_\_\_\_\_**

**E. INVENTORIES**

There were no inventories at June 30, 2004.

**F. RESTRICTED ASSETS**

Restricted assets in the Amite River Basin Drainage and Water Conservation District (BTA) at June 30, 2004, reflected at \$1,680,990 in the non-current assets section on Statement A, consist of \$1,664,993 in cash with fiscal agent and \$15,997 in receivables.

These assets are restricted to the construction of the Comite River Diversion Canal.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Amite River Basin Drainage and Water Conservation District (BTA) has the following policy on annual and sick leave: (Describe leave policy.)

*Annual and Sick Leave.* The District' employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward o succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure when leave is actually taken. The cost of leave privileges not requiring current resources is recorded for governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$4,573.88 and \$5,793.48 for June 30, 2004 and 2003, respectively.

**2. COMPENSATORY LEAVE**

*Compensatory Leave.* Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2004 or 2003.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), a multiple-employer, and defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804, 225-922-0600.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004\_\_\_\_\_**

Covered employees are required to contribute 7.5% of gross salary to the plan, and the District contributes an additional 13% each year. These requirements are set by state statute and differ from the contribution requirement determined using actuarial methods. Contributions to the System for the years ended June 30, 2004, 2003 and 2002, were \$16,839, \$15,174 and \$13,547.

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

The District may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the District's employees become eligible for those benefits if they reach normal retirement age while working for the District. Those benefits include joint payment of monthly premiums at 50% District and 50% retired person. The District does not currently have any retired persons to which it provides post retirement benefits.

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year 6/30/04 amounted to \$21,717. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010- 2014</u>	<u>FY2015- 2019</u>
Office space	\$ 19,872	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Copier	2,188	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

These leases are negotiated on an annual basis.

**2. CAPITAL LEASES**

Capital leases are not recognized in the accompanying financial statements as there were none.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Year ending June 30 :	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**K. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable	\$ .00	\$ 3,600,000.00	\$ 390,000.00	\$ 3,210,000.00	\$ 405,000.00
Compensated absences	5,793.48	5,018.00	6,237.60	4,573.88	.00
<b>Total</b>	<u>5,793.48</u>	<u>3,605,018.00</u>	<u>396,237.60</u>	<u>3,214,573.88</u>	<u>405,000.00</u>

Activity as of June 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	5,318.00	6,863.60	6,388.12	5,793.48	.00

The District, as authorized under Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950 and other constitutional and statutory authority, issued Limited Tax Certificates of Indebtedness, Series 2003 in the amount of \$3,600,000 in December of 2003. The purpose of these funds is to provide necessary revenues to carry out the District's local share of the Comite River Diversion Canal Project as authorized in a proposition approved by the voters on July 15, 2000. Repayment will be made from the levy and collection of a 3 mills tax authorized to be levied each year through 2010.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Repayment is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Rate</u>
June 30, 2005	\$ 405,000.00	\$ 63,987.50	.100%
June 30, 2006	420,000.00	63,582.50	.100%
June 30, 2007	440,000.00	63,162.50	.100%
June 30, 2008	460,000.00	62,722.50	.100%
June 30, 2009	475,000.00	62,262.50	.350%
June 30, 2010	495,000.00	60,600.00	6.000%
June 30, 2011	<u>515,000.00</u>	<u>30,900.00</u>	6.000%
Total	<u>3,210,000.00</u>	<u>407,217.50</u>	

**L. LITIGATION**

There is no litigation that would require disclosure in this report.

**M. RELATED PARTY TRANSACTIONS**

There are no related party transactions that require disclosure.

**N. ACCOUNTING CHANGES**

Accounting changes made during the year involved a change in accounting error. The effect of the change is being shown in compensated absences at \$5,318.

**O. IN-KIND CONTRIBUTIONS**

There were no in-kind contributions received during the year.

**P. DEFEASED ISSUES**

In December, 2004, the Amite River Basin Drainage and Water Conservation District (BTA), issued \$3,600,000 of taxable bonds. The purpose of the issue was to provide monies to build the Comite River Diversion Canal.

**Q. COOPERATIVE ENDEAVORS**

There were no cooperative endeavors.

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

There were no government-mandated nonexchange transactions.

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

There were no violations of finance-related legal or contractual provisions.

**T. SHORT-TERM DEBT**

There was no short-term debt.

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

There were no receivables at June 30, 2004.

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 2,934	\$ 4,458	\$ -	\$ -	\$ 7,392
Capital Projects	234	-	15,997	-	16,231
Total payables	\$ 3,168	\$ 4,458	\$ 15,997	\$ -	\$ 23,623

**W. SUBSEQUENT EVENTS**

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

**X. SEGMENT INFORMATION**

There are no reportable segments.

**Y. DUE TO/DUE FROM AND TRANSFERS**

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	_____
Total due from other funds		\$ <u>0</u>

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	_____
Total due to other funds		\$ <u>0</u>

3. List by fund type **all transfers from other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
Governmental	General	\$ 81,298
Total transfers from other funds		\$ <u>81,298</u>

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**\_\_\_\_\_

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
<u>Governmental</u>	<u>Capital Projects</u>	\$ <u>81,298</u>
<u>Total transfers to other funds</u>		\$ <u>81,298</u>

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the Amite River Basin Drainage and Water Conservation District (BTA) at June 30, 2004, reflected at \$ 3,226,231 in the current liabilities section on Statement A, consist of \$234 in accounts payable, \$3,210,000 in bonds payable, and \$ 15,997 in accrued interest payable.

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

Net assets were not restated at July 1, 2003.



**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND**  
**WATER CONSERVTION DISTRICT (BTA)**  
**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS**  
**For the Year Ended June 30, 2004**

<u>Name</u>	<u>Amount</u>
Bell, Patrick	\$ 1,260
Bourgeois, Paul A.	780
Callender, Lawrence E.	840
Cornette, Russell W.	540
Knost, Dotti G.	420
Lee, Willie George	720
Louque, Terry	900
McDaniel, Mike D.	0
Mellon, Robert S.	120
Thompson, Don	1,200
Williams, Robert C.	600
	\$ <u>7,380</u>

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND**  
**WATER CONSERVATION DISTRICT (BTA)**  
**SCHEDULE OF STATE FUNDING**  
**For the Year Ended June 30, 2004**

<u>Description of Funding</u>	<u>Amount</u>
1. <u>State appropriation</u>	\$ <u>200,000</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u><u>200,000</u></u>

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION (BTA)**  
**SCHEDULE OF BONDS PAYABLE**  
**JUNE 30, 2004**  
**(In Thousands)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series 2003	12/03	\$ 3,600	\$ 0	\$ 390	\$ 3,210	.100%	\$ 3,210
<b>Total</b>		<u>\$3,600</u>	<u>\$ 0</u>	<u>\$ 390</u>	<u>\$ 3,210</u>		<u>\$ 3,210</u>

\*Send copies of new amortization schedules

**BT SERVICE SCHEDULE**

**UNITED TAX CERTIFICATES OF INDEBTEDNESS, SERIES 2003  
AMITE RIVER BASIN, STATE OF LOUISIANA**

Dated Date: 03-Dec-2003	Average Life (years): 3.954167 at par (1)
First Payment: 01-Mar-2004	
Last Payment: 01-Mar-2011	Net Interest Cost: 2.971227% at par (1)
Delivery Date: 03-Dec-2003	Accrued Interest: None

Payment Date	Principal Due	Interest Rate	Interest Due	Total Debt Service	Calendar Year Debt Service
2/6/04 D 2/25/04 01-Mar-2004	390,000	0.100%	15,736.72	405,736.72 ✓	
01-Sep-2004			31,993.75	31,993.75	437,730.47
01-Mar-2005	405,000	0.100%	31,993.75	436,993.75	
01-Sep-2005			31,791.25	31,791.25	468,785.00
01-Mar-2006	420,000	0.100%	31,791.25	451,791.25	
01-Sep-2006			31,581.25	31,581.25	483,372.50
01-Mar-2007	440,000	0.100%	31,581.25	471,581.25	
01-Sep-2007			31,361.25	31,361.25	502,942.50
01-Mar-2008	460,000	0.100%	31,361.25	491,361.25	
01-Sep-2008			31,131.25	31,131.25	522,492.50
01-Mar-2009	475,000	0.350%	31,131.25	506,131.25	
01-Sep-2009			30,300.00	30,300.00	536,431.25
01-Mar-2010	495,000	6.000%	30,300.00	525,300.00	
01-Sep-2010			15,450.00	15,450.00	540,750.00
01-Mar-2011	515,000	6.000%	15,450.00	530,450.00	530,450.00
<b>TOTALS...</b>	<b>3,600,000</b>		<b>422,954.22</b>	<b>4,022,954.22</b>	<b>4,022,954.22</b>

NOTE 1: Calculated from the dated date of the issue.

V03 3:47 PM  
riahea\Tangipahoa\Amite\River Basin\_03\_3.6m.xls\A

**FOLEY & JUDELL, LLP**  
Attorneys & Counsellors at Law  
One Canal Place, Suite 2600  
New Orleans, Louisiana 70130-1138  
Tel: (504) 568-1249 Fax: (504) 565-3900

#1) Received 2/6/04, due 2/25/04, Pt. 2/15/04  
#2)

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION (BTA)**  
**SCHEDULE OF BONDS PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 2004**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ 405,000.00	\$ 63,988.00
2006	420,000.00	63,583.00
2007	440,000.00	63,163.00
2008	460,000.00	62,723.00
2009	475,000.00	62,263.00
2010	495,000.00	60,600.00
2011	515,000.00	30,900.00
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
Total	\$ 3,210,000.00	\$ 407,220.00

STATE OF LOUISIANA

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenses	335,840	311,015	24,825	8%
2) Capital assets	4,208,069	611,781	3,596,288	>100%
Long-term debt	3,210,000	0	3,210,000	>100%
Net Assets	2,846,303	1,706,276	1,140,027	67%

Explanation for change: Capital assets: construction of Comite River Diversion Canal started in CY; LT Debt: Certificates of Indebtedness were issued to fund CRDC construction; net assets: result of above.

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 200,000	\$ 200,000	\$ 0	\$ 0
Expenditures	322,125	288,050	(34,075)	(11%)

Explanation of change: Decreased professional fees primarily related to Comite River Diversion Canal project.

	<u>2004 Final Budget</u>	<u>2004 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	200,000	202,405	2,405	2%
Expenditures	288,050	237,255	50,795	18%

Explanation of change: Lower insurance expenses and less professional fees.