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

**FINANCIAL REPORT**  
**INTERNAL CONTROL AND COMPLIANCE REPORT**

**December 31, 1995**

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-24-96

**Waguespack & Associates (APAC)**  
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**BAYOU LAFOURCHE FRESH WATER DISTRICT**  
**FINANCIAL REPORT**  
**INTERNAL CONTROL AND COMPLIANCE REPORT**

**December 31, 1995**

**BAYOU LAFOURCHIE FRESH WATER DISTRICT**

**December 31, 1995**

**C O N T E N T S**

	<u>Statement</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		1
<b>General Purpose Financial Statements:</b>		
Combined balance sheet - all fund types and account groups	A	2
Statement of revenues and expenditures and changes in fund balance - governmental fund type - general fund	B	3-4
Statement of revenues, expenditures, and changes in fund balance - budget and actual - governmental fund type - general fund	C	5-6
Notes to financial statements		7-11
<b>SUPPLEMENTARY INFORMATION</b>		
Per diems paid to board members		12
<b>INTERNAL CONTROL AND COMPLIANCE SECTION</b>		
Independent Auditor's Report on Internal Control Structure Based on an Audit of General-Purpose Financial Statements Performed in Accordance with Government Auditing Standards		13-14
Independent Auditor's Report on Compliance with Laws and Regulations Based on an Audit of General-Purpose Financial Statements Performed in Accordance With Government Auditing Standards		15

**FINANCIAL SECTION**

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

Statement A

**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 1995**

	<u>Governmental Fund Type General Fund</u>	Account Groups		<u>Total (Memorandum) Only</u>
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
<b>ASSETS</b>				
Cash	\$ 58,307	\$ -	\$ -	\$ 58,307
Investments in government backed securities	599,058	-	-	599,058
Receivables:				
Ad valorem taxes	381,187	-	-	381,187
Interest receivable	1,299	-	-	1,299
State revenue sharing	32,406	-	-	32,406
Water sales	17,087	-	-	17,087
Land	-	8,783	-	8,783
Plant and properties	-	1,775,154	-	1,775,154
Equipment, furniture and vehicles	-	875,498	-	875,498
Amount to be provided for compensated absences payable	-	-	25,924	25,924
Total Assets	<u>\$ 1,089,344</u>	<u>\$ 2,659,435</u>	<u>\$ 25,924</u>	<u>\$ 3,774,703</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$ 51,999	-	\$ -	\$ 51,999
Payroll taxes payable	1,776	-	-	1,776
Retirement contributions payable	1,974	-	-	1,974
Compensated absences payable	8,465	-	25,924	34,389
Total Liabilities	<u>64,214</u>	<u>-</u>	<u>25,924</u>	<u>90,138</u>
Fund equity:				
Investment in general fixed assets	-	2,659,435	-	2,659,435
Fund balance:				
Unreserved-undesignated	1,025,130	-	-	1,025,130
Total fund equity	<u>1,025,130</u>	<u>2,659,435</u>	<u>-</u>	<u>3,684,565</u>
Total Liabilities and Fund Equity	<u>\$ 1,089,344</u>	<u>\$ 2,659,435</u>	<u>\$ 25,924</u>	<u>\$ 3,774,703</u>

The accompanying notes are an integral part of this statement.

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

Statement B

**Statement of Revenues and Expenditures and Changes in Fund Balance**  
**Governmental Fund Type - General Fund**

**For the Year Ended December 31, 1995**

Operating Revenues:		
Ad valorem taxes	\$ 389,996	
State revenue sharing	48,630	
Water sales	227,299	
Other	<u>6</u>	
Total revenues		\$ 665,931
Expenditures:		
Salaries - operators and station	197,681	
Salary - administrator	42,908	
Salaries - office	33,746	
Payroll taxes and retirement	24,151	
Per diems	2,850	
Advertising and legal publications	1,139	
Fuel cost	7,895	
Group insurance	48,440	
General insurance	80,632	
Accounting and consulting fees	2,942	
Materials and supplies	7,896	
Office supplies and expenses	6,444	
Repairs and maintenance	163,289	
Telephone	9,029	
Travel	4,605	
Utilities	166,796	
Deductions from ad valorem taxes for retirement system	<u>12,153</u>	
Total current expenditures	812,596	
Capital outlay	<u>3,145</u>	
Total expenditures		<u>815,741</u>
Excess (deficiency) of revenues over expenditures		(149,810)

Continued

The accompanying notes are an integral part of this statement.

BAYOU LAFOURCHE FRESH WATER DISTRICT  
Thibodaux, Louisiana

Statement B

Statement of Revenues and Expenditures and Changes in Fund Balance  
Governmental Fund Type - General Fund - Continued

For the Year Ended December 31, 1995

Other Financing Sources (Uses):		
Interest income	47,577	
Insurance claims	4,075	
Miscellaneous income/reimbursements	6,500	
Miscellaneous expense	(2,843)	
LSU Siphons Project expense	<u>(17,042)</u>	
Total other financing sources (uses)		<u>38,267</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		(111,543)
Fund balance at beginning of year		<u>1,136,673</u>
Fund balance at end of year		<u>\$ 1,025,130</u>

The accompanying notes are an integral part of this statement.

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

Statement C

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual Governmental Fund Type - General Fund**

**For the Year Ended December 31, 1995**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Ad valorem taxes	\$ 381,000	\$ 389,996	\$ 8,996
State revenue sharing	46,000	48,630	2,630
Water sales	208,000	227,299	19,299
Other	-	6	6
Total revenues	<u>635,000</u>	<u>665,931</u>	<u>30,931</u>
 <b>EXPENDITURES:</b>			
Per diems	3,000	2,850	150
Travel expense	4,400	4,605	(205)
Legal publications	1,200	1,139	61
Accountant	2,300	2,580	(280)
Consultant	400	362	38
<b>Salaries and Wages:</b>			
Administrator	42,500	42,908	(408)
Office personnel	34,000	33,746	254
Bayou personnel	70,000	69,023	977
Station personnel	127,000	128,658	(1,658)
Office supplies and expenses	7,100	6,444	656
Utilities (electric, water and garbage)	150,000	166,796	(16,796)
Telephone	8,400	9,029	(629)
<b>Employers Contributions:</b>			
Retirement system	2,200	2,565	(365)
Group & life insurance	49,000	48,440	560
Social security (FICA)	21,000	21,586	(586)
Diesel/Fuel expense	10,000	7,895	2,105
Material and supplies	10,200	7,896	2,304
Repairs to equipment - station	60,000	61,643	(1,643)
Repairs to equipment - bayou	105,000	101,646	3,354
Insurance - general	87,000	80,632	6,368
Deduct/taxes - retirement system	-	12,153	(12,153)
Total current expenditures	<u>794,700</u>	<u>812,596</u>	<u>(17,896)</u>

Continued

The accompanying notes are an integral part of this statement.



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

Statement C

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual Governmental Fund Type - General Fund - Continued**

**For the Year Ended December 31, 1995**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CAPITAL OUTLAY:</b>			
Buildings/equipment	\$ 3,500	\$ 3,145	\$ 355
<b>OTHER FINANCING SOURCES (USES):</b>			
Interest income	42,500	47,577	5,077
Insurance claims	4,075	4,075	-
Miscellaneous income/reimbursements	6,500	6,500	-
Miscellaneous expense	(5,500)	(2,843)	2,657
LSU Siphons Project expense	<u>(17,100)</u>	<u>(17,042)</u>	<u>58</u>
Total other financing sources (uses)	<u>30,475</u>	<u>38,267</u>	<u>7,792</u>
Excess (deficiency) of revenues over expenditures	(132,725)	(111,543)	21,182
Fund balance at beginning of year	<u>1,136,673</u>	<u>1,136,673</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,003,948</u>	<u>\$ 1,025,130</u>	<u>\$ 21,182</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO FINANCIAL STATEMENTS**

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

The Bayou Lafourche Fresh Water District ("District") was created under Act 113 of 1950, of the Louisiana Legislature, for the purpose of furnishing fresh water from the Mississippi River to the incorporated villages, towns and cities along Bayou Lafourche. The District is governed by a board of five commissioners appointed for terms of four years by the parish governments of Ascension, Assumption and Lafourche.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting 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**

This report includes all funds and account groups which are controlled by the District which was determined on the basis of criteria as set forth under Governmental Accounting Standards Board (GASB) statement no. 14. The district is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the appointed commissioners have decision making authority, the authority to levy fees or set rates, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The district also is legally separate and is considered to be fiscally independent. Accordingly, the district has issued general-purpose financial statements which include all funds and account groups which are controlled by the district.

**FUND ACCOUNTING**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

**General Fund** - The general fund is the general operating and maintenance fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

**ACCOUNT GROUP CATEGORIES**

Account Group Categories are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt of the District. The two account groups are not 'funds'. They are concerned only with the measurement of financial position, not with measurement of results of operations.

General Fixed Asset Account Group - This group of accounts is established to account for all fixed assets of the District. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Interest during construction is not capitalized.

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

**NOTES TO FINANCIAL STATEMENTS**

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

General Long-Term Obligation Account Group - This group of accounts is established to account for all unmatured general long-term liabilities of the District.

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or 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 District's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following procedures:

Revenues - Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed except for taxes paid under protest which are recorded as revenue in the year available. Ad valorem taxes are assessed on a calendar year basis, become due November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year. The revenue collected by the sheriffs of the parishes involved are transmitted to the District.

Water sales are recorded when earned.

Substantially all other revenues are recorded when received.

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

**BUDGETARY ACCOUNTING**

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

**ANNUAL AND SICK LEAVE**

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

**POST EMPLOYEE HEALTH CARE BENEFITS**

Effective June 15, 1994, the district is offering an early retirement benefit to all current and future classified employees between the ages of sixty-two (62) and sixty-five (65) who are fully vested in and eligible to retire in the Parochial Employees' Retirement System at the time of retirement. The district will pay the entire cost of the state portion of the retiring employee's medical insurance premium until the employee reaches the age of sixty-five (65) and becomes eligible for medical insurance primary coverage, or until revoked by the commissioners or the retiring employee fails to submit payment to the district for his/her portion of the premium by the fifth day of the month in which the premium is due. The cost of retirees' health care benefits is recognized as an expenditure when the related premium liability is incurred. For 1995, this cost totaled \$5,212.

**TOTAL COLUMNS ON FINANCIAL STATEMENTS - OVERVIEW**

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

**ENCUMBRANCES**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

**NOTE B - CASH AND INVESTMENTS**

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

State law also requires that deposits be fully collateralized at all times. Acceptable collateralization includes the \$100,000 FDIC/FSLIC insurance and the market value of securities purchased and pledged. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the District or with an unaffiliated bank or trust company for the account of the District.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS - Continued**

Under a provision of the GASB, pledged securities, which are not in the name of the governmental unit are considered uncollateralized.

Cash and cash equivalents	<u>\$ 58,307</u>
Bank balance of deposits	\$ 83,470
Portion insured by federal deposit insurance	<u>100,000</u>
Pledged securities under Louisiana law	<u>98,845</u>
Amount unsecured under Louisiana law	<u>\$ -</u>

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

The District invests through its broker/dealer in United States government securities. In order to provide an indication of the level of risk assumed by the entity at year end, the investments in United States government securities are Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. The carrying amount of the investments is \$599,058. The market value is \$600,107.

**NOTE C - PENSION PLAN**

All full time employees are covered by a contributory pension plan with the Parochial Employees' Retirement System. Each employee covered contributes 2% of their gross salary less \$100 each month, or \$4,879 for 1995. The District does not guarantee any benefits granted by the Retirement System.

The total payroll for 1995 was \$274,335 covering approximately 11 employees. The total payroll for 1995 for retirement contributions was \$256,457 covering 11 employees.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance December 31, 1994	Additions	Deletions	Balance December 31, 1995
Land	\$ 8,783	\$ -	\$ -	\$ 8,783
Plant and properties	1,775,154	-	-	1,775,154
Equipment, furniture and vehicles	<u>872,352</u>	<u>3,145</u>	<u>-</u>	<u>875,497</u>
Totals	<u>\$ 2,656,289</u>	<u>\$ 3,145</u>	<u>\$ -</u>	<u>\$ 2,659,434</u>

**NOTE E - LITIGATION**

At December 31, 1995, Bayou Lafourche Fresh Water District was involved in litigation which was subsequently dismissed on March 29, 1996. In addition, Bayou Lafourche Fresh Water District is not aware of any unasserted claims or assessments which should be reflected in the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

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

**Per Diems Paid to Board Members**  
**For the Year Ended December 31, 1995**

<u>Board Member</u>	<u>Amount</u>
Alfred Diez, Jr., Chairman	\$ 600
Hamilton Dantin, Vice-Chairman	550
Peggy Bagala	600
Scott Cedotal	500
Bruno Ruggiero	<u>600</u>
	<u>\$ 2,850</u>



**INTERNAL CONTROL AND  
COMPLIANCE SECTION**

**WAGUESPACK & ASSOCIATES**

(A Professional Accounting Corporation)

**CERTIFIED PUBLIC ACCOUNTANTS**

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

Board of Commissioners  
Bayou Lafourche Fresh Water District  
Thibodaux, Louisiana

We have audited the financial statements of the Bayou Lafourche Fresh Water District for the year ended December 31, 1995 and have issued our report thereon dated April 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement.

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

In planning and performing our audit of the general-purpose financial statements of Bayou Lafourche Fresh Water District, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended solely for the use of management of the District and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

*Wagnerpark & Associates (APAC)*

Belle Rose, Louisiana  
April 26, 1996

**WAGUESPACK & ASSOCIATES**

(A Professional Accounting Corporation)

**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF GENERAL-PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Bayou Lafourche Fresh Water District  
Thibodaux, Louisiana

We have audited the general-purpose financial statements of the Bayou Lafourche Fresh Water District as of and for the year ended December 31, 1995, and have issued our report thereon dated April 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards 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 financial statements are free of material misstatement.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended solely for the use of the District, and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

*Waguespack & Associates (APAC)*

Belle Rose, Louisiana  
April 26, 1996