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

**BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

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 12/19/08

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

**TABLE OF CONTENTS**

	<u>Page No.</u>
<b>BASIC 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.....	11
Fund Financial Statements	
Balance Sheets .....	13
Reconciliation of the Governmental Fund Balance Sheets to the Government-Wide Statements of Net Assets .....	15
Statements of Revenue, Expenditures and Changes in Fund Balances .....	16
Reconciliation of the Governmental Fund Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	18
Notes to Financial Statements	
Index .....	20
Notes .....	21
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule.....	35
<b>SUPPLEMENTAL SCHEDULES AND INFORMATION</b>	
Schedule of Per Diem Paid to Board Members .....	37
Schedule of Professional Service Payments .....	38

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	39
Schedule of Findings and Questioned Costs.....	41
Summary Schedule of Prior Year Findings .....	42
Management’s Corrective Action Plan .....	43
<b>OTHER REQUIRED SUPPLEMENTARY INFORMATION</b>	
Louisiana’s Comprehensive Annual Financial Report .....	45

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**BASIC FINANCIAL STATEMENTS**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements, as listed in the table of contents. These 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.

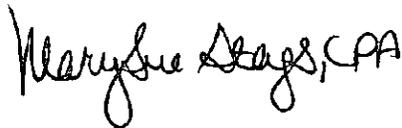
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statement. 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 11, 2008, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and 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.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
August 11, 2008

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

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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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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 year ended June 30, 2008. It should be read in conjunction with the financial report taken as a whole.

**Highlights of the District as a Whole**

Since its inception, the District has been spearheading the construction of the Comite River Diversion Canal Project. This is a \$168,000,000 Regional Flood Control Project to benefit portions of East Baton Rouge, Ascension and Livingston Parishes. The project is funded 70% with federal funds, 20% with state funds and 10% with the District's funds. The District funds, to carryout its responsibilities, are funded through a 3-mill, 10-year ad valorem tax approved by the citizens in the District in the year 2000.

Our efforts have been concentrated in acquiring rights-of-way, utility relocations, preparation of a Floodplain Management Plan, preparation of plans and specifications for the various features of the canal-highways, bridges, railroad bridges and control structures. We are presently in the fourth year of construction of Phase II of the Lilly Bayou Control Structure located at the western end of the proposed canal. We anticipate construction of a bridge over LA 67 (Plank Road) at the canal crossing to start at the end of year 2008 or beginning of 2009.

Other activities undertaken under the District's auspices include: (1) Provide technical assistance to local governments toward the implementation of their Community Rating System (CRS). This is a FEMA program to lower flood insurance rates to citizens affected by flooding (2) 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 theses gauges helps develop more accurate hydrologic and hydraulic modeling capabilities. Also, these river gauges are 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.

**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 supplemental information contained in this report provided for additional information.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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**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 10-11 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, capital projects and debt service funds. The fund financial statements begin on page 13.

Budgetary comparison schedules are included for governmental funds under required supplemental information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final revised budgets and begin on page 33.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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**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 20 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 supplemental information concerning the District's budgetary comparison on page 33.

**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**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Current assets	\$ 552,444.39	\$ 375,073.98
Restricted assets	440,708.33	631,479.03
Capital assets, net	<u>9,831,339.51</u>	<u>8,639,872.75</u>
Total Assets	10,824,492.23	9,647,425.76
<b>Liabilities</b>		
Current liabilities	11,247.18	7,906.73
Liabilities payable from restricted assets	1,505,754.00	1,965,907.50
Long-term liabilities	<u>232,327.60</u>	<u>5,876.40</u>
Total Liabilities	<u>1,749,328.78</u>	<u>1,979,690.63</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	8,346,339.51	6,694,872.75
Restricted	419,954.33	610,571.53
Unrestricted	<u>308,869.61</u>	<u>362,290.85</u>
Total Net Assets	<u>9,075,163.45</u>	<u>7,667,735.13</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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A summary of changes in net assets is as follows:

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

	<u>2008</u>	<u>2007</u>
<b>Revenues</b>		
Operating grants/contributions	\$ 50,000.00	\$ 50,000.00
General revenues:		
Property taxes	2,079,151.72	1,855,055.05
Interest earnings	<u>51,356.14</u>	<u>47,133.08</u>
Total Revenues	2,180,507.86	1,952,188.13
<b>Expenses</b>		
General government	<u>595,779.54</u>	<u>324,593.52</u>
Change in net assets	1,584,728.32	1,627,594.61
Net assets, beginning, restated for post-employment benefits at 06/30/08	<u>7,490,435.13</u>	<u>6,040,140.52</u>
Net assets, ending	<u>9,075,163.45</u>	<u>7,667,735.13</u>

**Budgetary Highlights**

The District has always operated within its annual budgetary constraints. Last year the District received state funds for the purpose to operate the river gauges. We expect to receive financial assistance in the next fiscal year.

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, 2008 and 2007, was \$8,384,245 and \$6,694,873, respectively. Additions in both years consisted of continuing costs associated with the construction of the diversion canal. During the current year, there was also some office equipment and furniture purchased at a total cost of \$7,688. 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  
JUNE 30, 2008**

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Capital assets at year-end are summarized as follows:

<b>CAPITAL ASSETS</b>		
<b>Net of Accumulated Depreciation</b>		
<b>Governmental Activities</b>		
	<u>2008</u>	<u>2007</u>
<b>Depreciable Assets</b>		
Furniture/equipment	\$ 9,606.91	\$ 4,579.27
Canals and drainage	<u>9,821,732.60</u>	<u>8,635,293.48</u>
Total	<u>9,831,339.51</u>	<u>8,639,872.75</u>

*Long-Term Debt:* Long-term debt of the District includes compensated absences at amounts of \$8,528 and \$5,876 at June 30, 2008 and 2007, respectively. Additionally, certificates of indebtedness were issued in December of 2003, in the amount of \$3,600,000. Principal payments totaling \$2,115,000 have been made, leaving a balance of \$1,485,000 at June 30, 2008. Finally, there is an unfunded liability for post-employment benefits based on actuarially determined amounts in accordance with GASB No. 45.

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

We expect to receive supplemental appropriations from the State (capital outlay) and federal government to continue construction 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.

**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.

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2008 AND 2007**

	Governmental Activities	
ASSETS	2008	2007
<b>Current Assets</b>		
Cash and cash equivalents	\$ 551,594.39	\$ 376,073.98
Prepaid expenses	850.00	-
Total Current Assets	552,444.39	376,073.98
<b>Restricted Assets</b>		
Cash and cash equivalents/capital projects	440,708.33	631,479.03
<b>Non-Current Assets</b>		
Capital assets, net of accumulated depreciation:		
Furniture and equipment	9,606.91	4,579.27
Canals and drainage	9,821,732.60	8,635,293.48
Total Non-Current Assets	9,831,339.51	8,639,872.75
Total Assets	10,824,492.23	9,647,425.76
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	6,266.24	3,225.48
Accrued salaries payable	4,980.94	4,681.25
Total Current Liabilities	11,247.18	7,906.73
<b>Liabilities Payable from Restricted Assets</b>		
Accrued interest payable	20,754.00	20,907.50
Bonds payable, current portion \$475,000 and \$460,000	1,485,000.00	1,945,000.00
Total Liabilities Payable from Restricted Assets	1,505,754.00	1,965,907.50
<b>Non-Current Liabilities</b>		
Compensated absences payable	8,527.60	5,876.40
Other post-employment benefits plan payable	223,800.00	-
Total Non-Current Liabilities	232,327.60	5,876.40
Total Liabilities	1,749,328.78	1,979,690.63
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	8,346,339.51	6,694,872.75
Restricted for capital projects	419,954.33	610,571.53
Unrestricted	308,869.61	362,290.85
Total Net Assets	9,075,163.45	7,667,735.13

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2008**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Revenues (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	\$ 595,779.54	\$ -	\$ 50,000.00	\$ -
				\$ (545,779.54)
Total Governmental Activities/Primary Government	595,779.54	-	50,000.00	-
<b>General Revenues</b>				
Property taxes, levied for capital projects				2,079,151.72
Investment earnings				51,356.14
Total General Revenues				2,130,507.86
Change in Net Assets				1,584,728.32
Net Assets, beginning				7,667,735.13
Prior period adjustment - other post-employment benefits plan				(177,300.00)
Net Assets, ending				9,075,163.45

See Accompanying Notes and Auditors' Report

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**FUND FINANCIAL STATEMENTS**

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**AMIIE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008 AND 2007**

	2008			2007		
	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	\$ 551,594.39	\$ -	\$ 551,594.39	\$ 376,073.98	\$ -	\$ 376,073.98
Prepaid expenses	850.00	-	850.00	-	-	-
Restricted assets:						
Cash and cash equivalents	-	440,708.33	440,708.33	-	631,479.03	631,479.03
<b>TOTAL ASSETS</b>	<b>552,444.39</b>	<b>440,708.33</b>	<b>993,152.72</b>	<b>376,073.98</b>	<b>631,479.03</b>	<b>1,007,553.01</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accounts payable	6,266.24	-	6,266.24	3,225.48	-	3,225.48
Accrued salaries payable	4,980.94	-	4,980.94	4,681.25	-	4,681.25
Liabilities payable from restricted assets:						
Accrued interest payable	-	20,754.00	20,754.00	-	20,907.50	20,907.50
<b>Total Liabilities</b>	<b>11,247.18</b>	<b>20,754.00</b>	<b>32,001.18</b>	<b>7,906.73</b>	<b>20,907.50</b>	<b>28,814.23</b>

Continued

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BALANCE SHEETS (Continued)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008 AND 2007**

	2008			2007		
	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
Fund Balances:						
Reserved for capital projects	\$ -	\$ 419,954.33	\$ 419,954.33	\$ -	\$ 610,571.53	\$ 610,571.53
Unreserved/undesignated	541,197.21	-	541,197.21	368,167.25	-	368,167.25
Total Fund Balances	541,197.21	419,954.33	961,151.54	368,167.25	610,571.53	978,738.78
<b>TOTAL LIABILITIES AND</b>						
<b>FUND BALANCES</b>	<b>552,444.39</b>	<b>440,708.33</b>	<b>993,152.72</b>	<b>376,073.98</b>	<b>631,479.03</b>	<b>1,007,553.01</b>

See Accompanying Notes and Auditors' Report

**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, 2008 AND 2007**

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	<u>2008</u>	<u>2007</u>
Total Fund Balances - Total Governmental Funds	\$ 961,151.54	\$ 978,738.78
<p>Amounts reported for governmental activities in the Statements of Net Assets are different because:</p>		
<p><i>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.</i></p>	9,831,339.51	8,639,872.75
<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	(8,527.60)	(5,876.40)
Other post-employment benefits plan	(223,800.00)	-
Bonds payable	(1,485,000.00)	(1,945,000.00)
	9,075,163.45	7,667,735.13
Total Net Assets - Governmental Activities	9,075,163.45	7,667,735.13

See Accompanying Notes and Auditors' Report



**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, 2008 AND 2007**

	2008			2007		
	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	\$ 409,690.74	\$ -	\$ 409,690.74	\$ 365,560.50	\$ -	\$ 365,560.50
Transfers to other funds	-	(409,690.74)	(409,690.74)	-	(365,560.50)	(365,560.50)
Total Other Financing Sources (Uses)	409,690.74	(409,690.74)	-	365,560.50	(365,560.50)	-
Net Change in Fund Balances	173,029.96	(190,617.20)	(17,587.24)	152,900.11	91,244.24	244,144.35
Fund balances, beginning	368,167.25	610,571.53	978,738.78	215,267.14	519,327.29	734,594.43
Fund balances, ending	541,197.21	419,954.33	961,151.54	368,167.25	610,571.53	978,738.78

See Accompanying Notes and Auditors' Report

**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, 2008 AND 2007**

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	<u>2008</u>	<u>2007</u>
Net Change in Fund Balances - Total Governmental Funds	\$ (17,587.24)	\$ 244,144.35

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.	1,191,466.76	943,268.34
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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 differed from repayments.	460,000.00	440,000.00
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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	(2,651.20)	181.92
Other post-employment benefits plan	(46,500.00)	-

Change in Net Assets - Governmental Activities	1,584,728.32	1,627,594.61
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**NOTES TO FINANCIAL STATEMENTS**

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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction.....	21
1	Summary of Significant Accounting Policies.....	21
2	Cash and Cash Equivalents.....	26
3	Restricted Assets.....	27
4	Capital Assets.....	27
5	Leave.....	28
6	Retirement System.....	28
7	Post Retirement Health Care and Life Insurance Benefits .....	29
8	Leases.....	31
9	Accounts and Other Payables .....	31
10	Long-Term Liabilities .....	32
11	Interfund Transactions .....	33
12	Related Party Transactions .....	33
13	Litigation.....	33
14	Subsequent Events .....	33

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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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 \$75 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, 2008**

---

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 is 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 along with interest on debt incurred during construction. 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, 2008**

---

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/Non-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 Types and Major Funds:** 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
3. Debt Service – accounts for the accumulation of resources for the payment of long-term debt principal and interest.

These funds are considered major funds. The capital projects and debt service funds report the activity of the Comite Diversion Canal Project and are combined for reporting purposes.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

---

**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, 2008**

---

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, 2008 or 2007.

**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:

Equipment	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:** Employees of the District had accumulated and vested \$8,527.60 and \$5,876.40 at June 30, 2008 and 2007, respectively, in employee leave benefits. These 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, 2008**

---

**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 are 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

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.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within that category. The collected bank balances at June 30, 2008 and 2007 were \$130,843.32 and \$157,260.98, respectively. Deposits of the District are secured with \$200,000 (\$100,000 at Capital One and \$100,000 at Hancock Bank) of insurance through FDIC and \$1,149,493 of pledged collateral.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

The following is a summary of cash and cash equivalents (book balances):

	<u>General Fund</u>		<u>Capital Projects Fund</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Petty cash	\$ 200.00	\$ 200.00	\$ .00	\$ .00
Interest-bearing demand deposits	60,111.38	48,298.55	54,830.60	90,301.77
LAMP	491,283.01	327,575.43	385,877.73	541,177.26
<b>Total</b>	<u>551,594.39</u>	<u>376,073.98</u>	<u>440,708.33</u>	<u>631,479.03</u>

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets include cash and cash equivalents of \$440,708.33 at June 30, 2008, and \$631,479.03 at June 30, 2007. 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, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 49,688.52	\$ 7,688.26	\$ .00	\$ 57,376.78
Less: accumulated depreciation	<u>45,109.25</u>	<u>2,660.63</u>	<u>.00</u>	<u>47,769.88</u>
Net Furniture and Equipment	4,579.27	5,027.63	.00	9,606.90
Canals and drainage	8,635,293.48	1,186,439.12	.00	9,821,732.60
Less: accumulated depreciation	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
Net Canals and Drainage	<u>8,635,293.48</u>	<u>1,186,439.12</u>	<u>.00</u>	<u>9,821,732.60</u>
Net Capital Assets, being depreciated	<u>8,639,872.75</u>	<u>1,191,466.75</u>	<u>.00</u>	<u>9,831,339.51</u>

The District capitalizes interest paid during construction on debt incurred for that purpose.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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NOTE 5 – LEAVE

*Annual and Sick Leave.* The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to 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 in the fund financial statements. The cost of leave privileges not requiring current resources is recorded by governmental funds in long-term obligations.

Only annual leave is accrued in the accompanying statements of net assets at \$8,526.70 and \$5,876.40 for June 30, 2008 and 2007, respectively.

*Compensatory Leave.* Non-exempt employees, according to the guidelines contained in the Fair Labor 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 compensatory leave time accrued at June 30, 2008 or 2007.

NOTE 6 – RETIREMENT SYSTEM

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), cost sharing, 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, 225-922-0605 or 800-256-3000.

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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Covered employees are required to contribute 7.5% of gross salary to the plan, and the District is required to contribute an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2008, was 20.4%. Contributions to the System for the years ended June 30, 2008, 2007 and 2006, were \$24,003, \$21,459 and \$21,215, respectively.

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

The Commission may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Commission's employees become eligible for those benefits if they reach normal retirement age while working for the Commission and were covered by the Commission's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

*Plan Description.* The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap), writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

*Funding Policy.* LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Commission with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2008, this amount ranges from \$34 to \$92 per month for single members with Medicare or

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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\$126 to \$170 per month without Medicare. The Commission contributes anywhere from \$103 to \$237 per month (with Medicare) or \$809 to \$842 (without Medicare) on behalf of the retiree for this coverage. Premiums paid for retiree and spouse range from \$69 to \$165 per month for those with Medicare or \$408 to \$493 per month for those without Medicare. For this coverage, the Commission contributes from \$207 to \$427 (with Medicare) or \$1,242 to \$1,293 (without Medicare). The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Commission.

*OPEB Cost/Obligation.* The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2007, is as follows:

Normal cost	\$ 36,100
30 year UAL amortization amount	<u>10,400</u>
Annual Required Contribution (ARC)	<u>46,500</u>

The Commission's OPEB obligation for the year ended June 30, 2008, is as follows:

Annual required contribution/OPEB Cost	\$ 46,500
Contributions made	<u>-0-</u>
Change in Net OPEB Obligation	46,500
Net OPEB obligation, beginning	<u>177,300</u>
Net OPEB obligation, ending	<u>223,800</u>

Utilizing the pay-as-you-go method, the Commission contributed 0% of the annual post-employment benefits cost during the current year. Because this is the first year of implementation, information for prior years is not presented.

*Funding Status and Funding Progress.* As of June 30, 2008, the Commission had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 223,800
Covered payroll (active employees)	161,313
UAAL as a percentage of covered payroll	139%

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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*Actuarial Methods/Assumptions.* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2007, was thirty years.

**NOTE 8 – LEASES**

*Operating Leases.* The District leases office space on an annual basis. For the year ended June 30, 2008 and 2007, payments of \$21,072. The monthly rental amount is \$1,756. 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, 2008:

<u>Class of Payables</u>	<u>General</u>	<u>Capital Projects</u>
Accounts	\$ 6,266.24	\$ .00
Salaries	4,980.94	.00
Interest	.00	20,754.00
Total	<u>11,247.18</u>	<u>20,754.00</u>

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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**NOTE 10 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2008, 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	\$ 1,945,000.00	\$ .00	\$ 460,000.00	\$1,485,000.00	\$475,000.00
Compensated absences	5,876.40	9,846.80	7,195.60	8,527.60	.00
Other post-employment benefits plan	<u>177,300.00</u>	<u>46,500.00</u>	<u>.00</u>	<u>223,800.00</u>	<u>.00</u>
Total	<u>2,128,176.40</u>	<u>56,346.80</u>	<u>467,195.60</u>	<u>1,717,327.60</u>	<u>475,000.00</u>

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, 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>1,485,000.00</u>	<u>153,762.50</u>	

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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NOTE 11 – INTERFUND TRANSACTIONS

Transfers among governmental funds were as follows during the current year:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Transfers from other funds	\$ 409,690.74	\$ 522,569.00	\$ .00
Transfers to other funds	<u>.00</u>	<u>.00</u>	<u>932,259.74</u>
Total Transfers	<u>409,690.74</u>	<u>522,569.00</u>	<u>932,259.74</u>

NOTE 12 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 13 – LITIGATION

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

NOTE 14 – SUBSEQUENT EVENTS

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

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

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**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT**  
**STATE OF LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2008**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
State appropriation	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -
Investment earnings	13,500.00	13,500.00	13,985.02	485.02
Total Revenues	63,500.00	63,500.00	63,985.02	485.02
<b>EXPENDITURES</b>				
Personal services	178,140.00	171,140.00	161,313.31	9,826.69
Travel	14,550.00	11,550.00	24,482.17	(12,932.17)
Advertising, dues and subscriptions	2,200.00	2,300.00	1,353.30	946.70
Printing/duplication/typing/binding	2,000.00	2,000.00	209.87	1,790.13
Communications	9,500.00	7,000.00	6,304.47	695.53
Rentals	24,100.00	24,000.00	24,701.19	(701.19)
Maintenance/property and equipment	3,000.00	19,000.00	1,299.47	17,700.53
Professional services	16,600.00	22,600.00	23,521.25	(921.25)
Materials and supplies	3,000.00	3,000.00	2,772.51	227.49
Intergovernmental	50,000.00	47,000.00	47,000.00	-
Capital outlay	1,000.00	1,000.00	7,688.26	(6,688.26)
Total Expenditures	304,090.00	310,590.00	300,645.80	9,944.20
Excess (Deficiency) of Revenues over Expenditures	(240,590.00)	(247,090.00)	(236,660.78)	10,429.22
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	240,590.00	247,090.00	409,690.74	162,600.74
Total Other Financing Sources (Uses)	240,590.00	247,090.00	409,690.74	162,600.74
Net Change in Fund Balances	-	-	173,029.96	173,029.96
Fund Balances, beginning	368,167.25	368,167.25	368,167.25	-
Fund Balances, ending	368,167.25	368,167.25	541,197.21	173,029.96

See Auditors' Report

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**SUPPLEMENTAL SCHEDULES AND INFORMATION**

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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2008**

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In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2008.

<u>Name</u>	<u>Amount</u>
Bell, Patrick	\$ 2,700.00
Bourgeois, Paul A.	1,050.00
Cornette, Russell W.	450.00
Irvin, Sr., Leonard	825.00
Johnson, Hugh J.	825.00
Leader, Jr., Barton J.	300.00
Lee, Willie George	825.00
Loupe, Jr., Sitman	2,475.00
Louque, Terry	1,050.00
Mellon, Robert S.	75.00
Thomas, Larry	375.00
Thompson, Don	<u>2,700.00</u>
Totals	<u>13,650.00</u>

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS  
YEAR ENDED JUNE 30, 2008**

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

Contract Date	Description	Amount
10/16/2007	Taylor Engineering Development of Phase I - Comite River Watershed Model	\$ 45,000.00

**MARY SUE STAGES, CPA**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

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

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 governmental activities and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District, a component unit of the State of Louisiana, which collectively comprise the basic financial statements as listed in the table of contents, as of and for the year ended June 30, 2008, and have issued our report thereon dated August 11, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

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*.

## Internal Control Over Financial Reporting

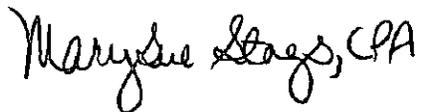
In planning and performing our audit, we considered the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the governmental agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement on the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the governmental agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
August 11, 2008

**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2008**

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We have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2008, and have issued our report thereon August 11, 2008. 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, 2008 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
	Control Deficiency(ies)	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No

2. Federal Awards

N/A

**Section II Financial Statement Findings**

None

**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  
YEAR ENDED JUNE 30, 2008**

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**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  
YEAR ENDED JUNE 30, 2008**

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**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

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**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

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**AMITE RIVER BASIN DRAINAGE  
AND WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2008**

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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.

AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2008

CONTENTS

	<u>Statements</u>
<hr/>	
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 (Information in Appendix B)	
D. Capital Assets – Including Capital Lease Assets	
E. Inventories	
F. Restricted Assets	
G. Leave	
H. Retirement System	
I. <b>Other Postemployment Benefits</b> (Additional information in Appendix F)	
J. Leases	
K. Long-Term Liabilities	
L. Contingent Liabilities	
M. Related Party Transactions	
N. Accounting Changes	
O. In-Kind Contributions	
P. Defeased Issues	
Q. <b>Revenues – Pledged or Sold (GASB 48)</b> (Additional information in Appendix G)	
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	
BB. Net Assets Restricted by Enabling Legislation (Information in Appendix C)	
CC. Impairment of Capital Assets (Information in Appendix D)	
DD. Employee Termination Benefits	
Schedules	
1 Schedule of Per Diem Paid to Board Members	
15 Schedule of Comparison Figures and Instructions	

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2008**

The Management's Discussion and Analysis of the Amite River Basin Drainage & Water Conservation District's, hereinafter referred to as the District, financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2008. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

**FINANCIAL HIGHLIGHTS**

- ★ The District's assets exceeded its liabilities at the close of fiscal year 2008 by \$9,075,163 which represents a 18% increase from last fiscal year.
- ★ The District's revenue increased \$228,320 (or 11%).

**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*.

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(other than MD&A)

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.

**Basic Financial Statements**

The basic financial statements present information for the District 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 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 District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the District's assets changed as a result of current year operations. Regardless of when

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2008**

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 Statement of Cash Flows presents information showing how the District's 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, 2008  
 (in thousands)

	Total	
	2008	2007
Current and other assets	\$ 993	\$ 1,006
Capital assets	9,831	8,640
Total assets	<u>10,824</u>	<u>9,646</u>
Other liabilities	507	475
Long-term debt outstanding	1,242	1,505
Total liabilities	<u>1,749</u>	<u>1,980</u>
Net assets:		
Invested in capital assets, net of debt	8,346	6,695
Restricted	420	611
Unrestricted	309	360
Total net assets	<u>\$ 9,075</u>	<u>\$ 7,666</u>

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 the District increased by \$1,409, or 18%, from June 30, 2007 to June 30, 2008.

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2008**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 for the years ended June 30, 2008  
 (in thousands)**

	Total	
	2008	2007
Operating revenues	\$ 50	\$ 50
Operating expenses	596	325
Operating income(loss)	<u>(546)</u>	<u>(275)</u>
Non-operating revenues(expenses)	<u>2130</u>	<u>1902</u>
Income(loss) before transfers	<u>1,584</u>	<u>1,627</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	<u>\$ 1,584</u>	<u>\$ 1,627</u>

The District's total revenues increased by \$228 or 11%. The total cost of all programs and services increased by \$271 or 83%. A significant increase is a result of recognizing funding requirements for other post-employment benefits plan anticipated based on actuarially determined amounts.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2008, the District had \$8,384,256 (net of accumulated depreciation and related debt) invested in a broad range of capital assets, including canals/drainage systems, office equipment and furniture. (See Table below)

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2008**

	<u>2008</u>	<u>2007</u>
Furniture/equipment	\$ 10	\$ 5
Infrastructure	9,822	8,635
	<u>          </u>	<u>          </u>
Totals \$	<u>9,832</u>	<u>\$ 8,640</u>

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

- Continued progress on Comite River Diversion Canal project
- Office furniture/equipment

**Debt**

The District had \$1,485 thousand in bonds at year-end, compared to \$1,945 thousand last year, a decrease of 23% as shown in the table below.

Outstanding Debt at Year-end  
(in thousands)

	<u>2008</u>	<u>2007</u>
General Obligation Bonds	\$ 1,485	\$ 1,945
Compensated Absences	9	6
Other Post-Employment Benefits Plan	<u>224</u>	<u>0</u>
Totals \$	<u>1,718</u>	<u>\$ 1,951</u>

Other obligations include accrued vacation pay and sick leave totaling \$8,528 at June 30, 2008 and \$5,876 at June 30, 2007. There was also \$223,800 in other post-employment benefits plan obligations at June 30, 2008.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$485 or less than 1% over budget and expenditures were less than budget by \$9,944 or 3%.

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2008**

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

The District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Economic changes in the parishes in which it operates
- Rising cost of construction

**CONTACTING THE DISTRICT'S MANAGEMENT**

*This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's 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, LA 70816-2255 or call 225-296-4900.*

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 BALANCE SHEET  
 AS OF JUNE 30, 2008**

**ASSETS**

**CURRENT ASSETS:**

Other current assets \_\_\_\_\_  
 Total current assets 552,444

**NONCURRENT ASSETS:**

Restricted assets (Note F):  
 Cash 440,708  
 Investments \_\_\_\_\_  
 Receivables \_\_\_\_\_  
 Investments \_\_\_\_\_  
 Notes receivable \_\_\_\_\_  
 Capital assets (net of depreciation)(Note D)  
 Land \_\_\_\_\_  
 Buildings and improvements \_\_\_\_\_  
 Machinery and equipment 9,607  
 Infrastructure 9,821,733  
 Vehicles \_\_\_\_\_  
 Other noncurrent assets \_\_\_\_\_  
 Total noncurrent assets 10,272,048  
 Total assets \$ 10,824,492

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V) \$ 32,001  
 Due to other funds (Note Y) \_\_\_\_\_  
 Due to federal government \_\_\_\_\_  
 Deferred revenues \_\_\_\_\_  
 Amounts held in custody for others \_\_\_\_\_  
 Other current liabilities \_\_\_\_\_  
 Current portion of long-term liabilities: (Note K)  
 Contracts payable \_\_\_\_\_  
 Compensated absences payable \_\_\_\_\_  
 Capital lease obligations \_\_\_\_\_  
 Claims and litigation payable \_\_\_\_\_  
 Notes payable \_\_\_\_\_  
 Bonds payable 475,000  
 Other long-term liabilities \_\_\_\_\_  
 Total current liabilities 507,001

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable \_\_\_\_\_  
 Compensated absences payable 8,528  
 Capital lease obligations \_\_\_\_\_  
 Claims and litigation payable \_\_\_\_\_  
 Notes payable \_\_\_\_\_  
 Bonds payable 1,010,000  
 OPEB payable 223,800  
 Other long-term liabilities \_\_\_\_\_  
 Total noncurrent liabilities 1,242,328  
 Total liabilities 1,749,329

**NET ASSETS**

Invested in capital assets, net of related debt 8,346,340  
 Restricted for:  
 Capital projects 419,954  
 Debt service \_\_\_\_\_  
 Unemployment compensation \_\_\_\_\_  
 Other specific purposes \_\_\_\_\_  
 Unrestricted 308,870  
 Total net assets 9,075,163  
 Total liabilities and net assets \$ 10,824,492

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

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2008**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	50,000
Total operating revenues	<u>50,000</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____
Administrative	593,119
Depreciation	2,661
Amortization	_____
Total operating expenses	<u>595,779</u>
Operating income(loss)	<u>(545,779)</u>
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	2,079,152
Use of money and property	51,356
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	<u>2,130,508</u>
Income(loss) before contributions, extraordinary items, & transfers	<u>1,584,729</u>
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>1,584,729</u>
Total net assets -- beginning	<u>7,667,735</u>
Prior period adjustment - other post-employment benefits plan	<u>(177,300)</u>
Total net assets -- ending	<u>\$ 9,075,164</u>

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

STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Entity	\$ 595,780	\$	\$ 50,000	\$ (545,780)
<i>General revenues:</i>				
Taxes				2,079,152
State appropriations				
Intergovernmental				
Interest				51,356
Miscellaneous				
<i>Special items</i>				
Extraordinary item - Loss on impairment of capital assets				
<i>Transfers</i>				
Total general revenues, special items, and transfers				2,130,508
Change in net assets				1,584,728
Net assets - beginning as restated				7,490,435
Net assets - ending				\$ 9,075,163

The accompanying notes are an integral part of this statement.  
 Statement C

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		<u>(383,115)</u>
Cash payments to employees for services		<u>(158,362)</u>
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		<u>50,000</u>
Net cash provided(used) by operating activities		<u>(491,477)</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
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		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		<u>(460,000)</u>
Interest paid on bond maturities		<u>(154)</u>
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		<u>(1,194,127)</u>
Proceeds from sale of capital assets		
Capital contributions		
Other		<u>2,079,152</u>
Net cash provided(used) by capital and related financing activities		<u>424,871</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>51,356</u>
Net cash provided(used) by investing activities		<u>51,356</u>
Net increase(decrease) in cash and cash equivalents		<u>(15,250)</u>
Cash and cash equivalents at beginning of year		<u>1,007,552</u>
Cash and cash equivalents at end of year	\$	<u><u>992,302</u></u>

Statement D  
 (Continued)

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008**

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

Operating income(loss)		\$ <u>(545,779)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>2,661</u>	
Provision for uncollectible accounts	<u>          </u>	
Other	<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>(850)</u>	
(Increase)decrease in inventories	<u>          </u>	
(Increase)decrease in other assets	<u>          </u>	
Increase(decrease) in accounts payable and accruals	<u>3,340</u>	
Increase(decrease) in compensated absences payable	<u>2,651</u>	
Increase(decrease) in due to other funds	<u>          </u>	
Increase(decrease) in deferred revenues	<u>          </u>	
<b>Increase(decrease) in OPEB payable</b>	<u><b>46,500</b></u>	
Increase(decrease) in other liabilities	<u>          </u>	
 Net cash provided(used) by operating activities		 \$ <u><u>(491,477)</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>
<u>          </u>	<u>          </u>
 <b>Total noncash investing, capital, and financing activities:</b>	 \$ <u><u>          </u></u>

The accompanying notes are an integral part of this statement.  
 Statement D (concluded)

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2008**

**INTRODUCTION**

The District 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 the District which includes the parishes in which the District operates:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 the District present information only as to the transactions of the programs of the 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 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 District 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 Committee on the Budget, 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 includes the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2008**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>304,090</u>
Amendments:	<u>6,500</u>
	<u>                    </u>
	<u>                    </u>
Final approved budget	\$ <u><u>310,590</u></u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3**, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2008, consisted of the following:

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2008**

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Balance per agency books	\$ 992,303	\$	\$	\$ 992,303
Deposits in bank accounts per bank	\$ 1,008,004	\$	\$	\$ 1,008,004
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name:	\$	\$	\$	\$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. Capital One	Operations	\$ 60,111
2. Hancock Bank	Capital projects	54,831
3. LAMP	Operations	491,283
4. LAMP	Capital projects	385,878
Total		\$ 992,103

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	\$ _____
Petty cash	\$ 200

**2. INVESTMENTS**

The District does not maintain investment accounts as authorized by La. Revised Statute 33:2955.

**3. DERIVATIVES**

N/A

**4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES**

**A. Credit Risk of Debt Investments**

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2008**

N/A

B. Interest Rate Risk of Debt Investments

N/A

C. Concentration of Credit Risk

N/A

D. Foreign Currency Risk

N/A

**5. POLICIES**

The District does not have a policy regarding custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, or foreign currency risk because it does not allow investments that would be subject to these types of loss.

**6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS**

N/A

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the District are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is 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.

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2008**

	Year ended June 30, 2008						Balance 6/30/2008
	Balance 6/30/2007	Prior Period Adjustment	Adjusted Balance 6/30/2007	Additions	Transfers*	Retirements	
<b>Capital assets not being depreciated</b>							
Land	\$	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements							
Capitalized collections							
Construction in progress							
<b>Total capital assets not being depreciated</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Other capital assets</b>							
Machinery and equipment							
Less accumulated depreciation							
Total Machinery and equipment	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Buildings and improvements							
Less accumulated depreciation							
Total buildings and improvements	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Furniture/office equipment	49,689		49,689	7,688			57,377
Less accumulated depreciation	(45,109)		(45,109)	(2,661)			(47,770)
Total furniture/office equipment	<u>4,579</u>	<u>—</u>	<u>4,579</u>	<u>5,028</u>	<u>—</u>	<u>—</u>	<u>9,607</u>
Infrastructure	8,635,293		8,635,293	1,186,439			9,821,733
Less accumulated depreciation	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total infrastructure	<u>8,635,293</u>	<u>—</u>	<u>8,635,293</u>	<u>1,186,439</u>	<u>—</u>	<u>—</u>	<u>9,821,733</u>
<b>Total other capital assets</b>	<u>8,639,873</u>	<u>—</u>	<u>8,639,873</u>	<u>1,191,467</u>	<u>—</u>	<u>—</u>	<u>9,831,340</u>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	—	—	—	—	—	—	—
Other capital assets, at cost	8,684,982	—	8,684,982	1,194,127	—	—	9,879,109
Total cost of capital assets	<u>8,684,982</u>	<u>—</u>	<u>8,684,982</u>	<u>1,194,127</u>	<u>—</u>	<u>—</u>	<u>9,879,109</u>
Less accumulated depreciation	<u>(45,109)</u>	<u>—</u>	<u>(45,109)</u>	<u>(2,661)</u>	<u>—</u>	<u>—</u>	<u>(47,770)</u>
<b>Capital assets, net</b>	<u>\$ 8,639,873</u>	<u>\$ —</u>	<u>\$ 8,639,873</u>	<u>\$ 1,191,467</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,831,340</u>

\* 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.

**E. INVENTORIES**

N/A

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2008**

**F. RESTRICTED ASSETS**

Restricted assets in the District at June 30, 2008, reflected at \$440,708 in the non-current assets section on Statement A, consisting of \$385,878 in government-backed securities with the Louisiana Asset Management Pool and \$54,830 in cash with the fiscal agent. These assets have been accumulated for the construction of a diversion canal for the Comite River.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The District has the following policy on annual and sick leave:

*Annual and Sick Leave.* The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to and approved by the Director. 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 current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2008, being \$8,528.

**2. 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 compensatory leave time accrued at June 30, 2008.

**H. RETIREMENT SYSTEM**

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, 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. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2008**

includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2007 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://www.lasers.state.la.us/PDFs/Publications and Reports/Fiscal Documents/Comprehensive Financial Reports/Comprehensive%20Financial%20Reports 07.pdf](http://www.lasers.state.la.us/PDFs/Publications%20and%20Reports/Fiscal%20Documents/Comprehensive%20Financial%20Reports/Comprehensive%20Financial%20Reports%2007.pdf)

Members are required by state statute to contribute with the single largest group (“regular members”) contributing 7.5% of gross salary, and the District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2008, increased to 20.4% of annual covered payroll from the 19.1% as required in fiscal year ended June 30, 2007. The District contributions to the System for the years ending June 30, 2008, 2007, and 2006, were \$24,003, \$21,459 and \$21,215, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS**

The Commission may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Commission’s employees become eligible for those benefits if they reach normal retirement age while working for the Commission and were covered by the Commission’s active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

*Plan Description.* The State of Louisiana’s Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy’s website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap), writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

*Funding Policy.* LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Commission with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2008, this amount ranges from \$34 to \$92 per month for single members with Medicare or \$126 to \$170 per month without Medicare. The Commission contributes anywhere from \$103 to \$237 per month (with Medicare) or \$809 to \$842 (without Medicare) on behalf of the retiree for this coverage. Premiums paid for retiree and spouse range from \$69 to \$165 per month for those with Medicare or \$408 to \$493 per month for those without Medicare. For this coverage, the Commission contributes from \$207 to \$427 (with Medicare) or \$1,242 to \$1,293 (without Medicare).

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2008**

The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Commission.

*OPEB Cost/Obligation.* The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2007, is as follows:

Normal cost	\$ 36,100
30 year UAL amortization amount	<u>10,400</u>
Annual Required Contribution (ARC)	<u>46,500</u>

The Commission's OPEB obligation for the year ended June 30, 2008, is as follows:

Annual required contribution/OPEB Cost	\$ 46,500
Contributions made	<u>-0-</u>
Change in Net OPEB Obligation	46,500
Net OPEB obligation, beginning	<u>177,300</u>
Net OPEB obligation, ending	<u>223,800</u>

Utilizing the pay-as-you-go method, the Commission contributed 0% of the annual post-employment benefits cost during the current year. Because this is the first year of implementation, information for prior years is not presented.

*Funding Status and Funding Progress.* As of June 30, 2008, the Commission had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 223,800
Covered payroll (active employees)	161,313
UAAL as a percentage of covered payroll	139%

*Actuarial Methods/Assumptions.* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to

**STATE OF LOUISIANA  
 AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2008**

ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2007, was thirty years.

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year 2008 amounted to \$21,072. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014- 2018</u>	<u>FY 2019- 2023</u>
Office Space	\$ 21,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment							
Land							
Other							
Total	\$ 21,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2. CAPITAL LEASES**

N/A

**3. LESSOR DIRECT FINANCING LEASES**

N/A

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2008**

4. LESSOR – OPERATING LEASE

N/A

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2008:

	Balance June 30, <u>2007</u>	<u>Year ended June 30, 2008</u>		Balance June 30, <u>2008</u>	Amounts due within <u>one year</u>
		<u>Additions</u>	<u>Reductions</u>		
<b>Notes and bonds payable:</b>					
Notes payable	\$ --	\$ --	\$ --	\$ --	\$ --
Bonds payable	<u>1,945,000</u>		<u>460,000</u>	<u>1,485,000</u>	<u>475,000</u>
Total notes and bonds	<u>1,945,000</u>	<u>--</u>	<u>460,000</u>	<u>1,485,000</u>	<u>475,000</u>
<b>Other liabilities:</b>					
Contracts payable				--	
Compensated absences payable	5,876	9,847	7,196	8,528	--
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable	177,300	46,500	--	223,800	
Other long-term liabilities				--	
Total other liabilities	<u>183,176</u>	<u>56,347</u>	<u>7,196</u>	<u>232,328</u>	<u>--</u>
Total long-term liabilities	<u>\$ 2,128,176</u>	<u>\$ 56,347</u>	<u>\$ 467,196</u>	<u>\$ 1,717,328</u>	<u>\$ 475,000</u>

**L. CONTINGENT LIABILITIES**

N/A

**M. RELATED PARTY TRANSACTIONS**

N/A

**N. ACCOUNTING CHANGES**

N/A

**O. IN-KIND CONTRIBUTIONS**

N/A

**P. DEFEASED ISSUES**

N/A

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

**1. PLEDGED REVENUES**

N/A

**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2008**

**2. FUTURE REVENUES REPORTED AS A SALE**

N/A

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

N/A

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

N/A

**T. SHORT-TERM DEBT**

N/A

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

N/A

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2008, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 6,266	\$ 4,981	\$ -	\$ -	\$ 11,247
Capital Projects Fund	-	-	20,754	-	20,754
Total payables	\$ 6,266	\$ 4,981	\$ 20,754	\$ -	\$ 32,001

**W. SUBSEQUENT EVENTS**

N/A

**X. SEGMENT INFORMATION**

N/A

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

N/A

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the District at June 30, 2008, consist of \$20,754 in accrued interest and \$1,485,000 in bonds payable.

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

N/A

**STATE OF LOUISIANA  
AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2008**

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)**

N/A

**CC. IMPAIRMENT OF CAPITAL ASSETS**

N/A

**DD. EMPLOYEE TERMINATION BENEFITS**

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. There was no termination benefits paid during the year.

An accrual for termination benefits has not been recognized in the accompanying financial statements because the expected benefits are not estimable. A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.



**STATE OF LOUISIANA**  
**AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT**  
**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 2,180,508	\$ 1,952,188	\$228,320	\$ 11%
Expenses	595,780	324,594	271,186	84%
2) Capital assets	9,831,240	8,639,873	1,191,367	13%
Long-term debt	1,242,328	1,490,876	(248,548)	(17%)
Net Assets	9,075,163	7,667,735	1,407,428	16%

Explanation for change: \_\_\_\_\_  
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