

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA**

**Financial Report
As of and for the Year Ended
June 30, 2016**

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT**
Financial Report
As of and for the Year Ended
June 30, 2016

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Amite River Basin Drainage and
Water Conservation District
Baton Rouge, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District (the District), a related organization of the State of Louisiana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Member

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6-15, budgetary comparison information on page 48 and schedule of employer's net pension liability on page 49 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements.

I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

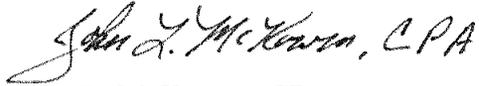
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Per Diem Paid to Commission Members, Schedule of Professional Service Payments and Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer on pages 52-54 are presented for purposes of additional analysis and are not 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 certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 9, 2016, on my consideration of the Amite River Basin Drainage and Water Conservation District's

internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "John L. McKowen, CPA". The signature is written in dark ink and is positioned above the printed name.

John L. McKowen, CPA

Baton Rouge, Louisiana
December 9, 2016

REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016. It should be read in conjunction with the financial report taken as a whole. The District was created by Act of Legislature in 1981 for the purpose of addressing regional flooding problems in the Amite River Basin.

Highlights of the District as a Whole

- **History**

The Amite River and its tributary the Comite River are the major causes of catastrophic flooding in the Baton Rouge Metropolitan Area. The flood of record occurred in 1983 when a substantial portion of East Baton Rouge, Livingston and Ascension Parishes were inundated. This precipitated an interest and action on the part of federal, state and local authorities to find solutions to this problem. It was recognized that major floods caused by the Amite and Comite Rivers could not be solved locally and that it required a basin wide/regional solution. This resulted in a series of studies by the U.S. Army Corps of Engineers (USACE) under the congressionally approved Amite River & Tributaries Study Authority, and the Comite River Diversion Canal Project evolved through this process.

- **Scope**

One project evolved through this planning process and was authorized for construction by Congress. The authorized Project provided for the construction of a 12 mile long diversion channel from the Comite River to the Mississippi River located between the Cities of Baker and Zachary.

- **Purpose**

The purpose of the Comite River Diversion Canal Project is to divert flood waters from the Upper Comite River to the Mississippi River. At its maximum capacity the project will divert 20,000 cubic feet per second by gravity flow. This represents approximately 50% of the flood waters from the upper Comite River, substantially reducing flood stages along the lower Comite and Amite River.

- **Sponsors**

Federal: US Army Corps of Engineers (USACE)
Non-Federal: State: Louisiana Department of Transportation & Development (DOTD)
Local: Amite River Basin Drainage and Water Conservation District
(THE DISTRICT)
City/Parish of East Baton Rouge

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The sponsors entered into a Project Cooperation Agreement ("PCA") in October of 2001. Initially, DOTD was responsible for the acquisition of all Lands, Easements, Right of way, Relocations and Disposal Areas ("LERRD's"). In addition, the non-federal sponsor is responsible to fund 5% of the total construction costs of the Project. East Baton Rouge Parish is responsible for the maintenance of the Canal once it is completed. The District, as a member of the Project Coordinating Team, participates in the Project management and is also responsible for development of floodplain management and reporting to the citizens concerning this issue.

In July 2001, the District entered into a Cooperative Endeavor Agreement ("CEA") with DOTD to advance a minimum of \$6,000,000 over a ten-year period. The CEA further provided that the District would not pledge any of the tax revenues for any purpose other than a portion of the cost for lands, easements, right-of-ways, relocations and disposal areas (LERRD's) and costs for the operation of the commission. At the time, the District estimated approximately \$8 million of total tax revenues would be collected over a ten-year period. A portion of the tax revenues is used to support the District's mission concerning the administration of the Project. In 2002, DOTD and the District agreed to further modify the agreement so that the District, rather than DOTD, would take title to all property. In 2005, THE DISTRICT and DOTD amended the CEA to allow for the District tax funds in excess of \$6,000,000 to be transferred to DOTD for LERRD'S acquisitions at the sole discretion of the District.

On September 18, 2012, DOTD and the District entered into a Second Amended Cooperative Endeavor Agreement. The Second Amended CEA establishes the terms and responsibilities through which LA DOTD and the District shall acquire all LERRDs, as may be determined by Government to be necessary for construction, operation and maintenance of the Project, as directed by the PCA. The District shall contract and retain a professional services contract through a Request for Qualifications to perform certain services including Right of Entry, GIS Mapping, Surveys, Title Take Off, Title Reports, Title Updates, Title Opinions and/or Title Policies, Appraisals, Appraisal Reviews, and Right of Way Acquisitions and Relocations. It will be a joint responsibility of DOTD and the District to fulfill the LERRDs requirements of the Project in accordance with USACE standards and procedures. Based upon present funds available, DOTD and the District shall each be liable for its obligation under this Agreement for 50% of LERRDs. Said percentage will be re-evaluated each fiscal year based upon available funds. Each party shall be responsible for their own administrative costs.

On November 3, 2014, DOTD and the District entered into a Third Amended Cooperative Endeavor Agreement. The Third Amended CEA limits the District's responsibilities for the Project. It also mandates that the District reimburse DOTD for 50% of the cost of all activities to acquire LERRDS. The amended CEA transfers responsibility from the District to DOTD for certain services including Right-of-Entry, GIS Mapping, Surveys, Title Take-Off, Title Reports, Title Updates, obtainment of Appraisal Reports and Appraisal Reviews, Negotiations with all property owners, and Relocations.

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- **Project Cost:**

In 2000, the total project cost estimate was \$152,000,000. The present total cost estimate according to the USACE is approximately \$245,000,000. The non-federal sponsors must acquire all property necessary for the USACE to construct the Canal.

- **Source of Funds:**

Federal: US Army Corps of Engineers (USACE).

Federal funds are obtained through appropriations through Congress. The determination as to whether funds for this Project are included in the federal budget is based upon the Benefit/Cost ("B/C") Ratio. Funding will be dependent upon available federal funds. Federal funds are used for construction only. No federal funds are used for right-of-way acquisitions, utility relocations and other pre-construction costs. (LERRD's)

Non-Federal Funds: The non-federal sponsors for construction of the project are the DOTD and the District. State funds are obtained through annual appropriations through the State Capital Outlay Program and the District funds are obtained through an Ad-Valorem tax of properties located within the benefit area of the project (Taxing District). In July of 2000 the citizens of the Taxing District approved a 10-year, 3 mill Ad-Valorem tax to provide for a portion of the non-federal match. In October of 2010 the citizens of the Taxing District voted to renew a 10 year, 2.65 mills drainage tax for the purpose of providing revenues to carry out the District's local share of the Comite Diversion Canal Project. The estimated revenue from the present millage is \$2.4 million a year.

- **Construction Progress to Date**

Construction of the Lilly Bayou Control Structure and the 1-mile pilot channel has been completed. This is the largest structure of the project. The total costs are in excess of \$30 million. In 2011, the non-federal sponsors terminated their agreement with the USACE to acquire LERRD's for the Project. At the time of the termination of this agreement, the USACE had only acquired 75 acres for mitigation.

USACE continues with design for the Bayou Baton Rouge Drop Structure. A soil boring task order for Highway 19 is in the works. ARBC is committed to make an "in kind" contribution for the utility relocations to allow the construction of the KCS Railroad Bridge and the US Hwy 61 Bridge.

- **Mitigation**

On October 1, 2001, a Project Cooperative Agreement (PCA) was signed between the sponsors to begin the construction of the Project. Under the PCA, DOTD, as the non-federal participant,

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is obligated to fund the purchase of all lands necessary for the construction of the canal including all mitigation lands. In 2002, USACE, the District and DOTD entered into an agreement to have the District hold title to the property rather than DOTD. This was done due to statutory limitations of DOTD to acquire property in its name for the canal. This agreement was signed between DOTD and the District, whereby the District has taken on the responsibility of acquiring all canal and mitigation lands. The ability of THE DISTRICT to purchase mitigation land is restricted to only those lands as defined within the area designated in the Environmental Assessment. The original Environmental Assessment report determined that approximately 1770 acres must be purchased out of a defined possible mitigation area of 2400 acres set forth in the report.

During the 2010 Regular Louisiana Legislative Session, Act 734 was passed. Act 734 prohibits the District's use of expropriation of private property for the purpose of compensatory mitigation of wetlands or other natural habitat, and thereby restricts the ability of the District to acquire property for mitigation. The District has contacted all property owners in the designated mitigation area to determine the universe of possible willing sellers. As of March 12, 2012, only 66 property owners representing 586 acres had responded to the District's letters.

The District proposed a legislative amendment, which was passed, which now allows expropriation for mitigation where at least seventy-five percent of the owners have voluntarily offered the property, or property where the record or apparent owner has voluntarily offered the property but does not have clear title. La. R.S. 49: 214.6.3.

The District worked actively to acquire mitigation property along the Comite River and the McHugh Swamp area, and Profit Island. Letters of interest have been sent to all property owners in the McHugh Swamp area.

In 2015, DOTD and the District purchased and the USACE acquired 218.47 Annual Average Habitat Units (AAHUs) for approximately \$8,289,130.00. These AAHUs satisfy the requirements for the construction of Lilly Bayou and the US Hwy 61 and KCS Bridge features. According to USACE, there are 34.7 AAHUS remaining that can be applied to the next feature. 90 AAHUs must be acquired to meet the full requirements of Functional Element I.

- **Pending Matters**

The District is in the process of acquiring Tracts 41, M3-80, and M3-115. The District has hired a consultant to correct discrepancies in the property descriptions.

Utility relocations along US HWY 61 and pipeline permitting are in the work.

The District has requested that USACE allow the District to make in-kind contributions to advance construction.

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- **Activities of the Commission**

1. DOTD and the District canceled the agreement with USACE. (Originally, USACE contracted to perform all of the functions of acquisition of property on behalf of DOTD.)

2. The District agrees to take on the responsibility to acquire property for canal and mitigation. DOTD and the District amended the CEA to reflect this additional role modification.

3. The District entered into contract with BKI, Commerce Title and GCR to facilitate the acquisition of property for the canal.

4. The District met with the congressional delegation and USACE HQ staff to discuss a new environmental assessment and resumption of construction.

5. The District secured Senator Vitter's support for a new EA for the mitigation areas. Thus, USACE conducted the new EA.

6. The District and its contractors secured Right of Entry (ROE) from all property owners in the new EA mitigation sites.

7. The District and its contractors assisted USACE in obtaining information on property owners and possible mitigation sites.

8. The District staff and contractor participated in PDT meetings with the USACE to discuss progress of all issues.

9. DOTD contracted to assist in the acquisition of property. DOTD identified 17 properties that could be acquired in advance of final taking lines.

10. At the time of the termination of the DOTD agreement with the USACE, several properties were ready for purchase. The District acquired Tracts 479, 473 & 476 in the name of the District.

11. The District and its contractors continue identifying additional possible mitigation sites.

12. The District counsel sought modification of Act 734, 2010 regular session. The Legislature amended the law to allow the use of expropriation from willing sellers when the property is subject to title issues or missing heirs.

13. The District issued bids for a hunting lease and awarded the hunting lease for Lilly Bayou Drop Structure property.

14. The District's counsel obtained legislative approval for the issuance of rules to allow for the formal expropriation and/or acquisition of property.

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15. The District secured permanent access to the Lilly Bayou Drop Structure from Irene Road.
16. Because of the extensive amount of property now owned by the District, a ground maintenance program was developed, and a contract for grass cutting landscape maintenance was executed.
17. The District executed a contract for the purchase of borrow and fill material located at the Lilly Bayou Borrow Site.
18. The District obtained an extension of the crossing agreement with KCS Crossing in order to access the Lily Bayou site.
19. The District has made just compensation offers to the McMahon Estate for property for mitigation purposes.
20. USACE has continued to provide engineering services for the Brooks Lake Closure for possible construction. USACE provides engineering service for the Highway 61 bridge and railroad bridge.
- 21.. The District and DOTD have acquired Tracts 1, 5, 7, 8, 9, 10, 14, 15, 16, 17, 42, 44, and 46 through the advance acquisition program. These properties will be necessary for the construction of Phase 1 of the project.
22. The District has made solicitations to property owners in McHugh Swamp for the possible purchase of mitigation and canal right of way.
23. The District and DOTD purchased 218.47 Annual Average Habitat Units (AAHUs) for mitigation purposes.
24. The District purchased Tracts Number 44, Tract No. 46, and Tract 42.
25. The District succeeding in placing the Project back into the Captial Outlay Program for FY 2016-17.
26. The District has prepared permitting documents and procedures for utility relocations.

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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 Position. This statement presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities and deferred inflows is net position, which may provide 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 position changed during the most recent fiscal year. All changes in net position 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 17-18 of this report.

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

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

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

Governmental funds of the District include a general fund, and a capital projects fund. The fund financial statements begin on page 20.

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 48.

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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 27 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

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.

**STATEMENT OF NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u> (Restated)
Assets		
Current assets	\$ 871,860	\$ 807,953
Restricted assets	13,544,655	13,769,099
Capital assets, net	<u>17,633,354</u>	<u>13,035,999</u>
Total Assets	<u>32,049,869</u>	<u>27,613,051</u>
Deferred Outflows of Resources	97,408	85,986
Liabilities		
Current liabilities	1,129,410	29,249
Long-term liabilities	<u>713,825</u>	<u>641,056</u>
Total Liabilities	<u>1,843,235</u>	<u>670,305</u>
Deferred Inflows of Resources	8,181	64,418
Net Assets		
Invested in capital assets, net of related debt	17,564,127	13,035,999
Restricted	12,731,734	13,928,315
Unrestricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>30,295,861</u>	<u>26,964,314</u>

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A summary of changes in net assets is as follows:

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

	<u>2016</u>	<u>2015</u>
Revenues		
Capital grants/contributions	\$ 1,108,822	\$ -
Charges for services	5,413	5,413
General revenues:		
Property taxes	2,692,876	2,607,907
Interest earnings	<u>35,849</u>	<u>14,595</u>
Total Revenues	3,842,960	2,761,041
Expenses		
General government	<u>511,413</u>	536,037
Change in net assets	3,331,547	2,091,878
Net assets, beginning as restated	<u>26,964,314</u>	<u>24,872,436</u>
Net assets, ending	<u>30,295,861</u>	<u>26,964,314</u>

Budgetary Highlights

Revenues and transfers from other funds were \$7,274 more than budgeted. Expenses were less than anticipated by \$45,298. The net result was a favorable net change in General Fund balances of \$52,572.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, net of accumulated depreciation, at June 30, 2016 and 2015, was \$17,633,354 and \$13,035,999, respectively. This amount represents a net increase (including additions and deductions) of \$4,597,355, or 35% over last year.

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Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
Governmental Activities		
	<u>2016</u>	<u>2015</u>
Depreciable Assets		
Furniture/equipment	\$ 2,878	\$ 4,520
Canals and drainage	<u>17,630,476</u>	<u>13,031,479</u>
Total	<u>17,633,354</u>	<u>13,035,999</u>

Long-Term Debt: Long-term debt of the District includes compensated absences at amounts of \$8,581 and \$5,156 at June 30, 2016 and 2015, respectively. There is an unfunded liability for post-employment benefits based on actuarially determined amounts in accordance with GASB No. 45 in the amount of \$186,901 and \$175,251 at June 30, 2016 and 2015, respectively. Finally, the Commission has recognized a net pension liability of \$518,343 and \$460,649, at June 30, 2016 and 2015, respectively in accordance with GASB Statement No. 68.

Economic Environment and Next Year's Budget

We expect to receive adequate appropriations from the State (Capital Outlay) and federal government to continue construction as we have been receiving in the past.

The cost of the project has increased substantially since its inception in year 2001. Furthermore, land values in the vicinity of Zachary, where the proposed canal is located, have also increased substantially. This places further financial burden on the non-federal match because it is the responsibility of the non-federal sponsors, the Amite River Basin Commission and Louisiana Department of Transportation and Development, to provide the funding for land acquisitions. As a consequence of this cost increase the Amite River Basin Commission authorized the renewal of a 2.65 mills, 10-year ad valorem tax that was approved by the voters of the District on October 2, 2010.

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Dietmar Rietschier, Executive Director, at 3535 South Sherwood Forest Boulevard, Suite 135, Baton Rouge, Louisiana 70816-2255, 225-296-4900.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015

ASSETS	Governmental Activities	
	2016	2015 (Restated)
Current Assets		
Cash and cash equivalents	\$ 868,833	\$ 805,552
Accounts Receivable	-	-
Prepaid expenses	3,027	2,401
Total Current Assets	871,860	807,953
Restricted Assets		
Cash and cash equivalents/capital projects	13,534,020	13,763,897
Taxes receivable	10,635	5,202
Total Restricted Assets	13,544,655	13,769,099
Non-Current Assets		
Capital assets, net of accumulated depreciation:		
Furniture and equipment	2,878	4,520
Canals and drainage	17,630,476	13,031,479
Total Non-Current Assets	17,633,354	13,035,999
Total Assets	32,049,869	27,613,051
DEFERRED OUTFLOWS OF RESOURCES	97,408	85,986
LIABILITIES		
Current Liabilities		
Accounts payable	1,120,234	21,638
Accrued salaries and payroll liabilities	9,176	7,611
Total Current Liabilities	1,129,410	29,249
Non-Current Liabilities		
Compensated absences payable	8,581	5,156
Other post-employment benefits plan payable	186,901	175,251
Net pension liability	518,343	460,649
Total Non-Current Liabilities	713,825	641,056
Total Liabilities	1,843,235	670,305
DEFERRED INFLOWS OF RESOURCES	8,181	64,418
NET POSITION		
Invested in capital assets, net of related debt	17,633,354	13,035,999
Restricted for capital projects	12,662,507	13,928,315
Unrestricted	-	-
Total Net Position	\$ 30,295,861	\$ 26,964,314

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</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>
Governmental Activities					
General government	\$ 511,413	\$ 5,413	\$ -	\$ 1,108,822	\$ 602,822
Total Governmental Activities/Primary Government	<u>\$ 511,413</u>	<u>\$ 5,413</u>	<u>\$ -</u>	<u>\$ 1,108,822</u>	<u>\$ 602,822</u>
General Revenues					
				\$ 2,692,876	
Property taxes, levied for capital projects				\$ 35,849	
Investment earnings				<u>\$ 2,728,725</u>	
Total General Revenues					
Change in Net Position					\$ 3,331,547
Net Position, beginning as restated					<u>\$ 26,964,314</u>
Net Position, ending					<u>\$ 30,295,861</u>

See Accompanying Notes and Auditors' Report

FUND FINANCIAL STATEMENTS

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2016 AND 2015**

	2016			2015		
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 868,833		\$ 868,833	\$ 805,552		\$ 805,552
Accounts Receivable			-	-		-
Prepaid expenses	177	2,850	3,027	177	2,224	2,401
Restricted assets:						
Cash and cash equivalents		13,534,020	13,534,020		13,763,897	13,763,897
Taxes receivable		10,635	10,635		5,202	5,202
TOTAL ASSETS	\$ 869,010	\$ 13,547,505	\$ 14,416,515	\$ 805,729	\$ 13,771,323	\$ 14,577,052
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 11,412	\$ 1,108,822	\$ 1,120,234	\$ 2,268	\$ 19,370	\$ 21,638
Accrued salaries and payroll liabilities	9,176	-	9,176	7,611	-	7,611
Liabilities payable from restricted assets:			-			-
Total Liabilities	\$ 20,588	\$ 1,108,822	\$ 1,129,410	\$ 9,879	\$ 19,370	\$ 29,249

Continued
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**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
BALANCE SHEETS (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2016 AND 2015**

	2016			2015		
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>
Fund Balances:						
Nonspendable	\$ 177	\$ 2,850	\$ 3,027	\$ 177	\$ 2,224	\$ 2,401
Committed						
Assigned						
For other post-employment benefits	186,901	-	186,901	175,251	-	175,251
For capital projects	-	12,435,833	12,435,833	-	13,749,729	13,749,729
Unassigned	661,344	-	661,344	620,422	-	620,422
Total Fund Balances	848,422	12,438,683	13,287,105	795,850	13,751,953	14,547,803
TOTAL LIABILITIES AND FUND BALANCES	\$ 869,010	\$ 13,547,505	\$ 14,416,515	\$ 805,729	\$ 13,771,323	\$ 14,577,052

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u> (Restated)
Total Fund Balances - Total Governmental Funds	\$ 13,287,105	\$ 14,547,803
Amounts reported for governmental activities in the Statements of Net Assets are different because:		
Deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in these funds. This is the reported amount of deferred outflows of resources.	97,408	85,986
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.	17,633,354	13,035,999
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:		
Compensated absences	(8,581)	(5,156)
Other post-employment benefits plan	(186,901)	(175,251)
Net pension liability	(518,343)	(460,649)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in these funds	<u>(8,181)</u>	<u>(64,418)</u>
Total Net Position - Governmental Activities	\$ 30,295,861	\$ 26,964,314

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016			2015		
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>
REVENUES						
Property taxes	\$ -	\$ 2,692,876	\$ 2,692,876	\$ -	\$ 2,607,907	\$ 2,607,907
Capital grants and contributions	-	1,108,822	1,108,822	-	-	-
Charges for services	-	5,413	5,413	-	5,413	5,413
Investment earnings	2,838	33,011	35,849	8,624	5,971	14,595
Total Revenues	2,838	3,840,122	3,842,960	8,624	2,619,291	2,627,915
EXPENDITURES						
General government	305,042	198,983	504,025	278,496	254,081	532,577
Capital outlay	-	4,599,633	3,470,223	-	1,195,617	1,195,617
Total Expenditures	305,042	4,798,616	3,974,248	278,496	1,449,698	1,728,194
Excess (Deficiency) of Revenues over Expenditures	\$ (302,204)	\$ (958,494)	\$ (1,260,698)	\$ (269,872)	\$ 1,169,593	\$ 899,721

Continued

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016			2015		
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Govern- mental Funds</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	\$ 354,776	\$ -	\$ 354,776	\$ 276,901	\$ -	\$ 276,901
Transfers to other funds	-	(354,776)	(354,776)	-	(276,901)	(276,901)
Total Other Financing Sources (Uses)	<u>354,776</u>	<u>(354,776)</u>	<u>-</u>	<u>276,901</u>	<u>(276,901)</u>	<u>-</u>
Net Change in Fund Balances	52,572	(1,313,270)	(1,260,698)	7,029	892,692	899,721
Fund balances, beginning	<u>795,850</u>	<u>13,751,953</u>	<u>14,547,803</u>	<u>788,821</u>	<u>12,859,261</u>	<u>13,648,082</u>
Fund balances, ending	<u>\$ 848,422</u>	<u>\$ 12,438,683</u>	<u>\$ 13,287,105</u>	<u>\$ 795,850</u>	<u>\$ 13,751,953</u>	<u>\$ 14,547,803</u>

See Accompanying Notes and Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Net Change in Fund Balances - Total Governmental Funds	\$ (1,260,698)	\$ 899,721
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
	4,598,255	1,193,975
<p>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:</p>		
Compensated absences	(4,325)	13,810
Other post-employment benefits plan	(11,650)	(11,650)
Pension expense	9,965	(3,978)
	3,331,547	2,091,878
Change in Net Position - Governmental Activities	\$ 3,331,547	\$ 2,091,878

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
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JUNE 30, 2016**

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**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

INTRODUCTION

The Amite River Basin Drainage and Water Conservation District is a related organization 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 the amount specified in 26 U.S.C. 162(h)(1)(B)(ii), currently \$100 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: As required by GASB Statement No. 61, *The Financial Reporting Entity – an amendment of GASB Statements No. 14 and No. 34*, the District is considered a related organization of the State of Louisiana. 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 position 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-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

**AMITE RIVER BASIN DRAINAGE
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BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 position 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.

Capitalizing Assets

Capital assets are recorded at their historical cost, or estimated historical cost for assets where actual cost is not available and depreciated over their estimated useful lives. Infrastructure assets such as canals and bridges are also capitalized along with interest on debt incurred during construction. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are not capitalized. Straight-line depreciation is used based on the following estimated useful lives:

Furniture and equipment	5-10 years
Vehicles	5-10 years
Buildings and improvements	40 years

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 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.

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Reserved Net position

Reserved net position is that 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 position is 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 District has two fund types: General and Capital Projects.

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, and the acquisition or construction of general fixed assets. 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 resourced related to the construction, acquisition, or renovation of capital assets.

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 position. 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.

**AMITE RIVER BASIN DRAINAGE
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BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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. 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 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.

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.

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 position. 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
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

Unrestricted

This category represents net position 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:

Nonspendable

These resources are either inherently nonspendable because they are not cash, or legal or contractual provisions require that they be maintained intact.

Restricted

This category represents that portion of equity subject to externally enforceable legal restrictions.

Committed

These resources are constrained by limitations that the government imposes upon itself at the highest level of decision making and that remain binding unless removed in the same manner.

Assigned

This category represents the government's intended use of resources.

Unassigned

These resources represent the excess of what is properly categorized in each of the above four categories.

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

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016 and 2015 were \$4,179,453 and \$6,394,536, respectively. Deposits of the District are secured with \$500,000 (\$250,000 at Capital One and \$250,000 at Whitney Bank) of insurance through FDIC and \$5,435,122 of pledged collateral.

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

	<u>General Fund</u>		<u>Capital Projects Fund</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Petty cash	\$ 200	\$ 200	\$ -	\$ -
Interest-bearing demand deposits	265,997	204,151	3,909,516	6,160,556
LAMP	602,636	601,201	9,624,504	7,603,341
Total	<u>868,833</u>	<u>805,552</u>	<u>13,534,020</u>	<u>13,763,897</u>

In addition to bank deposits, the District had \$10,227,140 invested in LAMP as of June 30, 2016. LAMP is a local government investment pool administered by LAMP, Inc., a non-profit corporation organizes under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar

**AMITE RIVER BASIN DRAINAGE
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weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participant's shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 3 – RESTRICTED ASSETS

Restricted assets include cash, cash equivalents and taxes receivable totaling \$13,544,655 at June 30, 2016 and \$13,769,099 at June 30, 2015. These assets were accumulated for the construction of a diversion canal for the Comite River thus restricting their use for that purpose.

NOTE 4 – ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable:

Class of receivable	
Ad valorem taxes	<u>\$ 10,635</u>
Total	<u>\$ 10,635</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, being depreciated				
Furniture and equipment	\$ 69,227	\$ -	\$ -	\$ 69,227
Less: accumulated depreciation	(64,707)	(1,642)	-	(66,350)
Net Furniture and Equipment	<u>4,520</u>	<u>(1,642)</u>		<u>2,878</u>
Canals and drainage	13,031,479	4,598,997	-	17,630,476
Less: accumulated depreciation	-	-	-	-
Net Canals and Drainage	<u>13,031,479</u>	<u>4,598,997</u>	-	<u>17,630,476</u>
Net Capital Assets, being depreciated	<u>13,035,999</u>	<u>4,597,355</u>	-	<u>17,633,354</u>

NOTE 6 – 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.

**AMITE RIVER BASIN DRAINAGE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 position at \$8,581 and \$5,156 for June 30, 2016 and 2015, respectively.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for 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, 2016 or 2015.

NOTE 7 – PENSIONS

General Information about the Pension Plan

Plan Description

Employees of the Amite River Basin Drainage and Water Conservation District are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

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Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual

earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less

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than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

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Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2016 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Appellate Law Clerks			
(hired before 7/1/2006)	Closed	7.5%	37.2%
(hired on or after 7/1/2006)	Open	8.0%	37.2%
Alcohol Tobacco Control	Closed	9.0%	33.3%
Bridge Police			
(hired before 7/1/2006)	Closed	8.5%	35.8%
(hired on or after 7/1/2006)	Closed	8.5%	35.8%
Corrections Primary	Closed	9.0%	32.6%
Corrections Secondary	Closed	9.0%	33.5%
Hazardous Duty	Open	9.5%	37.6%
Judges hired before 1/1/2011	Closed	11.5%	38.1%
Judges hired after 12/31/2010	Open	13.0%	39.3%
Legislators	Closed	11.5%	38.1%
Optional Retirement Plan (ORP)			
(hired before 7/1/2006)	Closed	7.5%	37.2%
(hired on or after 7/1/2006)	Closed	8.0%	37.2%
Peace Officers	Closed	9.0%	35.3%
Regular employees hired before 7/1/2006	Closed	7.5%	37.2%
Regular employees hired after 6/30/2006	Closed	8.0%	37.2%
Regular employees hired after 12/31/2010	Open	8.0%	37.2%
Special Legislative Employees	Closed	9.5%	39.7%
Wildlife Agents	Closed	9.5%	46.6%

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The agency's contractually required composite contribution rate for the year ended June 30, 2016 was 37.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$60,296 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Employer reported a liability of \$518,343 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Agency's proportion was 0.00762%, which was an increase of .00048% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Agency recognized pension expense of \$32,435 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$22,668. At June 30, 2016, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 693	\$ (4,246)
Changes of assumptions	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments		\$ (469)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	\$ 36,419	\$ (1,293)
Employer contributions subsequent to the measurement date	\$ 60,296	(2,173)
Total	\$ 97,408	\$ (8,181)

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\$60,296 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$	14,884
2018	\$	6,747
2019	\$	(3,885)
2020	\$	11,185

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015, and 2014 are as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years.
Investment Rate of Return	7.75% per annum.
Inflation Rate	3.0% per annum.
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2016. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

Salary Increases

Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	4.0%	13.0%
Judges	3.0%	5.5%
Corrections	3.6%	14.5%
Hazardous Duty	3.6%	14.5%
Wildlife	3.6%	14.5%

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return¹</u>
Cash	0%	0.24%
Domestic equity	27%	4.56%
International equity	30%	5.67%
Domestic Fixed Income	11%	2.24%
International Fixed Income	2%	3.64%
Alternative Investments	23%	7.82%
Global Asset Allocation	7%	3.70%
Total	100%	5.66%

¹*For reference only: Target Allocation presented in LASERS 2015 CAFR, page 45, and Long-Term Expected Real Rate of Return, page 28.*

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Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	1.0% Decrease (6.75%)	Current Discount Rate (7.75%)	1.0% Increase (8.75%)
Employer's proportionate share of the net pension liability	\$ 54,261	\$ 518,343	\$ 402,916

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2015 Comprehensive Annual Financial Report at www.lasersonline.org.

NOTE 8 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District 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 District's employees become eligible for those benefits if they reach normal retirement age while working for the District and were covered by the District's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

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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.

La. R.S. 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, 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 District 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 (less than 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. The plan is currently financed on a pay-as-you-go basis by the District.

OPEB Cost/Obligation. The District’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement No. 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 ending June 30, 2016 is \$11,650.

The District’s OPEB obligation for the year ended June 30, 2016, is as follows:

Annual required contribution/OPEB Cost	\$ 11,650
Contributions made	<u> -</u>
Change in Net OPEB Obligation	11,650
Net OPEB obligation, beginning	<u>175,251</u>
Net OPEB obligation, ending	<u>186,901</u>

Utilizing the pay-as-you-go method, the District contributed 0% of the annual post-employment benefits cost during the current year.

Funding Status and Funding Progress. As of June 30, 2016, the District had not made any contributions to its post-employment benefits plan trust. A trust was established with an effective date of July 1, 2008, 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)	\$ 186,901
Covered payroll (active employees)	146,655
UAAL as a percentage of covered payroll	127%

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.

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, 2015 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 7.0% and 8.1% for pre-Medicare and Medicare eligible, 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.

NOTE 9 – LEASES

Operating Leases. The District leases office space on an annual basis. For each of the years ended June 30, 2016 and 2015, payments of \$21,072 were made. The monthly rental amount is \$1,756. A copier is leased on a month-to-month basis from Xerox Corporation with a minimum lease payment of \$221 per month or \$2,654 annually.

Capital Leases. The District has no capital leases.

NOTE 10 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2016:

<u>Class of Payables</u>	<u>General</u>	<u>Capital Projects</u>
Accounts	\$ 11,412	\$ 1,018,822
Salaries and payroll liabilities	9,176	-
Total	<u>20,588</u>	<u>1,018,822</u>

**AMITE RIVER BASIN DRAINAGE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	5,156	3,425	-	8,581	-
Other post-employment benefits plan	175,251	11,650	-	186,901	-
Net pension liability	460,649	57,694	-	518,343	-
 Total	 <u>641,056</u>	 <u>72,769</u>	 -	 <u>713,825</u>	 -

NOTE 12 – INTERFUND TRANSACTIONS

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

	<u>General Fund</u>	<u>Capital Projects</u>
Transfers from other funds	\$ 354,776	\$ -
Transfers to other funds	<u>-</u>	<u>(354,776)</u>
Total Transfers	<u>354,776</u>	<u>(354,776)</u>

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2016, management of the District identified \$3,928,778 in contributions from the Louisiana Department of Transportation and Development (DOTD) in prior periods towards the purchase of several real properties that had been acquired by the District in connection with the construction of the Comite River Diversion Canal. In prior periods, the District had recorded the purchases as additions to infrastructure in the Government-Wide Financial Statements at its cost for each property, without regard to the contribution of DOTD. As of June 30, 2014, the District has restated its Government-Wide Financial Statements to properly record the increased value of its infrastructure assets and the corresponding increase in net position by \$3,928,778.

NOTE 14 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 15 – CONTINGENT LIABILITIES

There are no related contingent liabilities that require disclosure.

**AMITE RIVER BASIN DRAINAGE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 16 – SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through December 9, 2016, the date that the financial statements were to be issued and has determined that there are no subsequent events that require recognition or disclosure through that date.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
State appropriation	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	2,838	2,838
Total Revenues	-	-	2,838	2,838
EXPENDITURES				
Salaries and benefits	234,500	239,000	239,245	(245)
Travel	10,350	10,350	6,498	3,852
Advertising, dues and subscriptions	6,000	6,000	2,128	3,872
Printing/duplication/typing/binding	1,000	1,000	999	1
Communications	6,500	6,500	3,041	3,459
Rentals	29,000	29,000	26,129	2,871
Maintenance/property and equipment	5,000	500	-	500
Professional services	53,690	53,690	24,994	28,696
Materials and supplies	3,000	3,000	2,008	992
Capital outlay	1,300	1,300	-	1,300
Total Expenditures	350,340	350,340	305,042	45,298
Excess (Deficiency) of Revenues over Expenditures	(350,340)	(350,340)	(302,204)	48,136
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	350,340	350,340	354,776	4,436
Use of available funds			-	-
Total Other Financing Sources (Uses)	350,340	350,340	354,776	4,436
Net Change in Fund Balances	-	-	52,572	52,572
Fund Balances, beginning	795,850	795,850	795,850	-
Fund Balances, ending	795,850	795,850	848,422	52,572

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2016**

Schedule of Employer's Share of Net Pension Liability For the Year Ended June 30, 2016*		
	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.00762%	0.71400%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 518,343	\$ 446,331
Employer's Covered-Employee Payroll ^A	\$ 144,646	\$ 131,497
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	358%	339%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability ^B	62.70%	65%
<i>Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.</i>		
*The amounts presented have a measurement date of the previous fiscal year end.		

For reference only:

^A Employer Covered-Employee Payroll as reported to LASERS during the measurement period of July 2014 through June 2015

^B Presented in LASERS 2015 CAFR, page 27.

**AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2016**

Schedule of Employer Contributions						
For the Year Ended June 30, 2016						
Date	Contractually Required Contribution¹	Contributions in Relation to Contractually Required Contribution²	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll³	Contributions as a % of Covered Employee Payroll	
2016	\$ 53,808	\$ 60,296	(6,488)	\$144,646	0.416852177	
2015	\$ 48,917	\$ 51,678	(2,761)	\$131,497	0.392997559	

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to LASERS*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30, 2016*

**Notes to Required Supplementary Information
For the Year Ended June 30, 2016**

Changes of Benefit Terms include:

There were no changes of benefit terms for the year ended June 30, 2016.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2016.

SUPPLEMENTARY INFORMATION

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2016**

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, 2016.

<u>Name</u>	<u>Amount</u>
Babin, Ben B.	\$2,240
Bailey, Lionel L.	200
Brass, John C.	720
Hoover, David G.	1,060
Jenkins, William C.	520
Lee, Willie George	660
Little, James A.	100
Louque, Terry S.	960
Rouchon, Anthony "Tony"	1,280
Thibeau, Jerry R.	1,320
Thomas, Larry N.	400
Thompson, Donald "Don" E.	2,240
Welborn, Kenneth "Wade"	<u>1,320</u>
Totals	<u>13,020</u>

See Auditors' Report

**AMITE RIVER BASIN DRAINAGE
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BATON ROUGE, LOUISIANA
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS
YEAR ENDED JUNE 30, 2016**

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

Description	Amount
GCR & Associates, Inc. Acquisitions of properties, appraisals, negotiations with property owners	49,838
Stantec Consulting Services, Inc. Survey of right-of-way	47,678
Gulf Engineers & Consulting, Inc. Hydrological and hydraulic study	4,012
Deborah Nelle Fruge' Acquisition of properties, appraisals, negotiations with property owners	3,150
Aguilar Consultants, LLC Appraisal	1,032
FTN Associates Hydrolic and hydraulic modeling	1,022
Total	<u>\$ 106,732</u>

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**AMITE RIVER BASIN DRAINAGE AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2016**

AGENCY HEAD NAME: Dietmar Rietschier, Executive Director

PURPOSE	AMOUNT
Salary	\$ 102,719
Retirement	38,211
Health and Dental Insurance	<u>7,760</u>
Total	<u>\$ 148,690</u>

See Auditor's Report

John L. McKowen
Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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
3535 South Sherwood Forest Boulevard, Suite 135
Baton Rouge, Louisiana 70816-2255

I have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amite River Basin Drainage and Water Conservation District, a related organization of the State of Louisiana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Amite River Basin Drainage and Water Conservation District's basic financial statements, and have issued my report thereon dated December 9, 2016.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Amite River Basin Drainage and Water Conservation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Amite River Basin Drainage and Water Conservation District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Amite River Basin Drainage and Water Conservation District's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet is important enough to merit attention by those charged with governance.

Member

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit conducted in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



John L. McKowen, CPA
December 9, 2016

**AMITE RIVER BASIN DRAINAGE
AND WATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

I have audited the financial statements of the Amite River Basin Drainage and Water Conservation District as of and for the year ended June 30, 2016, and have issued my report thereon December 9, 2016. I conducted my 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. My audit of the financial statements as of June 30, 2016 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
BATON ROUGE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

None