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Board of Supervisors
Bayou DeLard - Bayou Bartholomew Cut-Off
Loop Water Conservation Board

We have compiled the accompanying balance sheet of **Bayou DeLard - Bayou Bartholomew Cut-Off Loop Water Conservation Board** (the Board - a political agency of the state of Louisiana), as of December 31, 1998 and 1997, and the related statements of income and changes in retained earnings, and cash flows for the years then ended, in accordance with the Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, we do not express an opinion or any other form of assurance on them.



March 12, 1999

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**BAYOU DESIARD - BAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD**

**Primary Government Financial Statements
For the Years Ended December 31, 1996 and 1995**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor or receiver, clergy and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-9-97

**BAYOU DESIARD - BAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD
BALANCE SHEETS**

		<u>December 31,</u>	
		<u>1996</u>	<u>1995</u>
ASSETS			
Current Assets			
Cash in Checking		NONE	\$ 3
Cash in Savings	\$	62,343	36,716
Interest Receivable		<u>29</u>	<u>60</u>
TOTAL ASSETS	\$	<u>62,000</u>	<u>36,779</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts Payable	\$	<u>NONE</u>	\$ <u>NONE</u>
Total Liabilities		<u>NONE</u>	<u>NONE</u>
Retained Earnings			
Reserved for Capital Improvements		9,650	9,650
Reserved for Pumping Power		33,783	8,783
Dedicated for Repairs		<u>18,567</u>	<u>18,346</u>
Total Retained Earnings		<u>62,000</u>	<u>36,779</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	\$	<u>62,000</u>	<u>36,779</u>

See accompanying notes and accountants' report.

**BAYOU DESIARD - BAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD
STATEMENTS OF INCOME AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995**

	<u>December 31,</u>	
	<u>1996</u>	<u>1995</u>
Revenue		
Intergovernmental	\$ <u>25,000</u>	\$ <u>25,000</u>
Total Revenues	25,000	25,000
Operating Expenses		
Pumping Expenses	0	18,217
Aquatic Plant Control - Carp Barriers	0	18,440
Office and Administrative Expenses	<u>1,173</u>	<u>2,133</u>
Total Operating Expenses	1,173	32,790
Operating Income (Loss)	23,827	(12,790)
Nonoperating Income		
Interest Income	<u>1,366</u>	<u>1,478</u>
Net Income (Loss)	25,223	(11,312)
Retained Earnings at Beginning of Year	<u>36,779</u>	<u>48,091</u>
RETAINED EARNINGS AT END OF YEAR	\$ <u>62,002</u>	\$ <u>36,779</u>

See accompanying notes and accountants' report.

**BAYOU DESIARD - BAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995**

	December 31,	
	1996	1995
Cash Flow From Operating Activities		
Operating Income (Loss)	\$ 23,828	\$ (12,790)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Payables	<u>NONE</u>	<u>(8,917)</u>
Total Adjustments	<u>NONE</u>	<u>(8,917)</u>
Net Cash Provided (Used) by Operating Activities	23,828	(21,707)
Cash Flow From Investing Activities		
Interest Income	<u>1,906</u>	<u>1,906</u>
Net Cash Flows Provided by Investing Activities	1,906	1,906
Net Increase (Decrease) in Cash and Cash Equivalents	25,234	(20,200)
Cash and Cash Equivalents at Beginning of Year	<u>36,719</u>	<u>56,919</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 61,953</u>	<u>\$ 36,719</u>
 CASH AND CASH EQUIVALENTS SHOWN ON BALANCE SHEET ARE:		
Current Assets:		
Cash in Checking	\$ NONE	\$ 3
Cash in Savings	<u>61,953</u>	<u>36,716</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 61,953</u>	<u>\$ 36,719</u>

See accompanying notes and accountants' report.

**BAYOU DESIARD - BAYOU BARTHOLEMEW CUT-OFF
LOOP WATER CONSERVATION BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995**

Note 1 - General

Bayou Desiard-Bayou Bartholomew Loop Cut-Off Water Conservation Board (the Board) was created by the Louisiana legislature as a political agency of the State of Louisiana pursuant to R.S. 38:2751-2757, as amended. It is governed by a board of six members. The Ouachita Parish Police Jury appoints three members: one member is appointed directly by the Jury, one member is appointed from a list of three candidates submitted by the Monroe Utilities Commission, and one member is appointed from a list of three candidates submitted by the town council of the municipality of Sterlington. The Morehouse Parish Police Jury appoints three members: one member is appointed directly by the Jury, one member is appointed from a list of three candidates submitted by the city of Bastrop, and one member is appointed from a list of three candidates submitted by the Bastrop Association of Commerce and Industry.

The Board was created to establish, maintain, and protect a favorable level of fresh water in the Bayou Desiard - Bayou Bartholomew Cut-Off Loop water system for all beneficial uses and purposes. Subject to certain limitations, the Board is empowered to construct, operate, and maintain any facilities necessary to accomplish the above responsibilities. The oversight body for the Board is the Louisiana Department of Agriculture, as that state department administers water conservation rules.

The Board's activity is accounted for as a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet. The Board's reported equity (net total assets) is segregated into retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

RAYOU DESIARD - RAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD

AFFIDAVIT


Personally came and appeared before the undersigned authority, Don Newton, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Bayou Desiard - Bayou Bartholomew Cut-Off Loop Water Conservation Board as of December 31, 1996, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Don Newton, who, duly sworn, deposes and says that the Bayou Desiard - Bayou Bartholomew Cut-Off Loop Water Conservation Board received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1996, and, accordingly, is not required to have an audit for the previously mentioned fiscal year end.



Signature

Sworn to and subscribed before me, this Thirty-First Day of March, 1997.



NOTARY PUBLIC

Officer	<u>Don Newton, Director</u>
Address	<u>8818 Tower Dr.</u>
	<u>Monroe, LA 71201</u>
Telephone No.	<u>(518) 342-1791</u>

BAYOU DESIARD - BAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD

DECEMBER 31, 1996 AND 1995

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**BAYOU DESIARD - BAYOU BARTHOLOMEW CUT-OFF
LOOP WATER CONSERVATION BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995**

Note 2 - Cash and Cash in Savings

Statutes require that the Board invest surplus cash balances in obligations of the United States Treasury, time certificates of deposit, or any other federally insured investments. The Board considers all checking and money market accounts as cash equivalents.

The Board's deposits and investments at December 31, 1996 and 1995, were entirely insured by the coverage of the Federal Deposit Insurance Corporation.

The Board's deposits at December 31, 1996 and 1995, are shown below:

	Carrying Amount		Bank Balance	
	1996	1995	1996	1995
Cash	NONE	\$ 3	NONE	\$(12,897)
Money Market	\$ 61,943	38,715	\$ 61,943	50,741
Total Deposits	\$ 61,943	\$ 38,719	\$ 61,943	\$ 38,144

The money market account earned interest at the rate of 2.80% and 3.25% at December 31, 1996 and 1995, respectively.

Note 3 - Retained Earnings

Prior to 1986, the City of Monroe contributed \$38,000 to be used in making capital improvements in the Aquifer System of which \$25,250 has been used, as of December 31, 1996, for the Corp Barriers for the Aquatic Plant Control leaving a balance of \$8,628. Retained earnings have been reserved for these improvements. The City of Monroe provides funds to be used to cover the operating expenses of the water pumps, as they are owned by the City of Monroe. In fiscal year 1996, the City of Monroe contributed \$25,080 for pumping reserves, which together with the balance of \$8,783 at December 31, 1995, totals \$33,763 at December 31, 1996. In addition to the previously described reserved funds, the Board has dedicated \$19,080 for repairs to the pumping equipment, of which \$18,549 was available for dedication as of December 31, 1996.