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**BAYOU D'ARBONNE LAKE
WATERSHED DISTRICT
Ruston, Louisiana**

**Annual Financial Statements
With Accountant's Report
As of and for the Two Years Ended
December 31, 2004**

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

Release Date 7/27/05

**McRight & Associates
Certified Public Accountants**

11817 Bricksome Ave., Suite E * Baton Rouge, Louisiana 70816

Schedule
Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2005

BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
(Agency Name)

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, K. PAUL BULLOCK (Name)
(Title) of BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
(Agency) who duly sworn, deposes and says, that the financial statements herewith given present
fairly the financial position of BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
(agency) at December 31, 2004 and the results of operations for the year then ended in
accordance with policies and practices established by the Division of Administration or in
accordance with Generally Accepted Accounting Principles as prescribed by the
Governmental Accounting Standards Board. Sworn and subscribed before me, this 30th
day of JUNE, 2005.

K. Paul Bullock
Signature of Agency Official

NOTARY PUBLIC

Prepared by: L DALTON McRIGHT

Title: CPA

Telephone No.: 225-292-2041

Date: 6/30/05

BAYOU D'ARBONNE LAKE
WATERSHED DISTRICT
Ruston, Louisiana

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(225) 292-2041

L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA, MBA

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Bayou D'Arbonne Lake Watershed District

We have audited the accompanying basic financial statements of the Bayou D'Arbonne Lake Watershed District, a component unit of the State of Louisiana, as of and for the two years ended December 31, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Auditing Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Bayou Lake D'Arbonne Watershed District as of December 31, 2004, and the results of its operations and its cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2005 on our consideration of the Bayou D'Arbonne Lake Watershed District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

McRight & Associates
Certified Public Accountants
11817 Bricksome Ave., Suite E * Baton Rouge, Louisiana 70816

Management's Discussion and Analysis and the other required supplementary information on pages 4-5 and 21-22, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bayou D'Arbonne Lake Watershed District's basic financial statements. The accompanying supplemental schedules and the Division of Administration Reporting Package listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McRight & Associates

Baton Rouge, Louisiana
June 9, 2005

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2004**

The Management's Discussion and Analysis of the Bayou D'Arbonne Lake Watershed District's financial performance presents a narrative overview and analysis of the District's financial activities for the two years ended December 31, 2004. Please read this document in conjunction with the information contained in the Bayou D'Arbonne Lake Watershed District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The Bayou D'Arbonne Lake Watershed District's assets exceeded its liabilities at the close of fiscal year 2004 by \$80,281 which represents a 44% decrease from the last fiscal year. The net assets decreased by \$63,158 (or 56%)

The District's revenue increased \$165,367 and expenses increased \$210,598.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information (Other than MD&A)

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

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Bayou D'Arbonne Lake Watershed District's as a whole, in a format designed to make the statement easier for the reader to understand. The statement of this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; the Statement of Activities; and the Statement of Cash Flows.

The Statement of Net Assets (page 8) presents the current and long term portion of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of Bayou D'Arbonne Lake Watershed District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 9) presents information showing how the District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transaction included that will not affect cash until future periods.

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2004**

The Statement of Activities (page 10) is a summary of the information reported in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. It is required by the state for all component units reported as a special purpose government engaged only in business-type activities.

The Statement of Cash Flows (page 11) presents information showing how the District's cash changed as a result of current operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

STATEMENT OF NET ASSETS

	<u>12/31/03</u>	<u>12/31/04</u>
Current Assets	\$128,637	\$65,311
Capital Assets – Land	<u>14,970</u>	<u>14,970</u>
Total Assets	<u>143,607</u>	<u>80,281</u>
	=====	=====
Total Liabilities – Accounts payable	<u>168</u>	-0-
Net Assets:		
Invested in capital assets, net of debt	14,970	14,970
Unrestricted	<u>128,469</u>	<u>65,311</u>
Total net assets	<u>143,439</u>	<u>80,281</u>
Total Liabilities and Net Assets	<u>\$143,607</u>	<u>\$80,281</u>
	=====	=====

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
For the Years Ended**

	<u>12/31/03</u>	<u>12/31/04</u>
Operating revenues	None	None
Operating Expenses	<u>\$191,402</u>	<u>\$402,000</u>
Operating income (loss)	(191,402)	(402,000)
Non-operating revenues (expenses)	<u>173,475</u>	<u>338,842</u>
Net increase in net assets	<u>(\$17,927)</u>	<u>(\$63,158)</u>
	=====	=====

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At December 31, 2004, Bayou D'Arbonne Lake Watershed had \$14,970 invested in land. There were no major additions during the year.

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2004**

DEBT

At December 31, 2004, Bayou D'Arbonne Lake Watershed had no debt outstanding.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

As a budgetary unit of the State of Louisiana the District is exempt from the requirements of the *Louisiana Local Government Budget Act*. However the Board of Commissioners does adopt a budget for funds expended from the District's operating account. This budget, along with the expenditures from the other accounts are reviewed by the board.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Bayou D'Arbonne Lake Watershed District's appointed officials considered the following factors when setting next year's budget:

- Revenues for 2005 are expected to be fairly unchanged.
- Operating expenses for 2005 will be approximately the same as 2004 operating expenses.

The District expects that next year's operating results will approximate the year 2004.

**CONTACTING THE BAYOU D'ARBONNE LAKE WATERSHED
DISTRICT'S MANAGEMENT**

This financial report is designed to provide citizens and taxpayers with a general overview of the District's finances and to show the district's accountability for the money it receives. If you have questions about this report or need additional financial information contact Paul Bullock, Secretary-Treasurer, P. O. Box 1613, Ruston, LA 71273.

BASIC FINANCIAL STATEMENTS

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
 STATEMENT OF NET ASSETS
 AS OF DECEMBER 31, 2004**

	<u>12/31/2004</u>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$65,311
Investments	-0-
Receivables (net of allowance for doubtful accounts) (Note U)	-0-
Total current assets	<u>65,311</u>
Property, plant, and equipment (net of depreciation) (Note D)	<u>14,970</u>
Total assets	<u>\$80,281</u> =====
 LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$-0-
Total Liabilities	----- <u>-0-</u>
 NET ASSETS	
Invested in capital assets, net of related debt	14,970
Unrestricted	<u>65,311</u>
Total net assets	<u>80,281</u>
Total liabilities and net assets	<u>\$80,281</u> =====

See accompanying notes and accounts' report

Statement A

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2003, AND DECEMBER 31, 2004**

	<u>12/31/2003</u>	<u>12/31/2004</u>
OPERATING REVENUES	<u>NONE</u>	<u>NONE</u>
OPERATING EXPENSES		
Operating services	\$10,226	\$9,840
Supplies	66	948
Professional services	15,758	13,519
Special Projects	<u>165,352</u>	<u>377,693</u>
Total operating expenses	<u>191,402</u>	<u>402,000</u>
Operating income (loss)	<u>(191,402)</u>	<u>(402,000)</u>
NON-OPERATING REVENUES		
Intergovernmental revenue	146,789	314,508
Taxes	24,408	22,996
Interest revenue	<u>2,278</u>	<u>1,338</u>
Total non-operating revenues	<u>173,475</u>	<u>338,842</u>
Changes in net assets	(17,927)	(63,158)
Total net assets – beginning	<u>161,366</u>	<u>143,439</u>
Total net assets – ending	<u>143,439</u> =====	<u>80,281</u> =====

See accompanying notes and accountants' report.

Statement B

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue Changes in Net Assets</u>
COMPONENT UNIT:			
Bayou D'Arbonne Lake Watershed District	<u>(\$402,000)</u>	<u>NONE</u>	<u>(\$402,000)</u>
General revenues:			
Taxes			22,996
Grants and contributions not Restricted to specific programs			314,508
Interest			<u>1,338</u>
Total general revenues			<u>338,842</u>
Change in net assets			(63,158)
Net assets – beginning			<u>143,439</u>
Net assets – ending			80,281 =====

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

Statement C

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

	12/31/03	12/31/04
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash paid to suppliers for goods and services	<u>(\$191,402)</u>	<u>(\$397,179)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Taxes	24,408	22,996
Operating grants received	<u>113,096</u>	<u>314,508</u>
Net cash provided by non-capital financing activities	<u>137,504</u>	<u>337,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned	2,278	1,338
Investments redeemed	<u>133,793</u>	<u>1,338</u>
	<u>136,071</u>	<u>1,338</u>
 Net increase (decrease) in cash and cash equivalent	 82,173	 (58,337)
Cash and cash equivalents at beginning of year	<u>41,475</u>	<u>123,648</u>
Cash and cash equivalents at end of year	123,648 =====	65,311 =====
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(\$191,402)	(\$402,000)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Increase in accounts receivable		4,989
Increase (decrease) in accounts payable	<u> </u>	<u>(168)</u>
Net cash used by operating activities	<u>(\$191,402)</u>	<u>(\$397,179)</u>
 Schedule of noncash investing, capital, and financing activities:		
N/A		

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

Statement D

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

INTRODUCTION

The Bayou D'arbonne Lake Watershed District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:2551. The following is a brief description of the operations of Bayou D'Arbonne Lake Watershed District:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of Bayou D'Arbonne Lake Watershed District present information only as to the transactions of the programs of the Bayou D'Arbonne Lake Watershed District as authorized by Louisiana statutes and administrative regulation.

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

The accounts of Bayou D'Arbonne Lake Watershed District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

As a budgetary unit of the State of Louisiana, Bayou D'Arbonne Lake Watershed District is exempt from the requirements of the *Louisiana Local Government Budget Act*. However, the District does adopt a budget for the operating account.

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

C. DEPOSITIS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Bayou D'Arbonne Lake watershed District may deposit funds within a fiscal agent bank selected and designated by the *Interim Emergency Board*. Further, the district may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalent.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2004, were secured as follows:

	Deposits in Bank Accounts		
	Cash	Certificate of Deposit	Total
Deposits in Bank Accounts per Bank Statements	\$65,311	\$-0-	\$65,311
Bank Balances:			
a. Insured (FDIC) or collateralized with securities Held by the entity or its agent in the entity's Name	65,311	-0-	65,311
b. Uncollateralized, including any securities Held for the entity, but not in the entity's name	-0-	-0-	-0-
Total Bank Balances	\$65,311	\$-0-	\$65,311

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Banking Institution	Account	Amount
-----	-----	-----
Community Trust Bank	Checking	<u>65,311</u>
Total Bank Balances		\$65,311 =====

The uncollateralized securities fitting the description above were not significantly greater during the two years ended December 31, 2004.

2. INVESTMENTS

At December 31, 2004, the district did not have any investments.

D. FIXED ASSETS

Fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities operations are included on the statement of net assets of the entity and are capitalized at cost.

The district's fixed assets at December 31, 2004 consists only of land; therefore, there is no depreciation expense for the two years ended December 31, 2004. In addition, the district's infrastructure is estimated to total less than \$3,000,000 and therefore is not capitalized and depreciated. Infrastructure consists of flood-alert equipment, channel markings, boat launch ramps, and other improvements.

E. INVENTORIES

The districts does not have any material inventories at December 31, 2004.

F. RESTRICTED ASSETS

At December 31, 2004, there were no restricted assets to be reported.

G. COMPENSATED ABSENCES

The district does not have any employees.

H. RETIREMENT SYSTEM

The district does not have any employees.

I. POST RETIREMENT HEALTH CARE AND BENEFITS

The district does not have any employees.

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

J. LEASES

At December 31, 2004 the district did not have any leases outstanding.

K. DEBT SERVICE REQUIREMENTS

The district did not have any outstanding debt at December 31, 2004.

L. LITIGATION

1. The Bayou D'Arbonne Watershed District is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
Prior to January 1, 1997	Suit filed by widow of lake drowning victim	LA. Attorney General	Unspecified	Unknown
June 1992	Claim of damages resulting from boating accident	LA. Attorney General	Unspecified	Unknown
November 2001	Claim of damages resulting from drowning near spillway	LA. Attorney General	Unspecified	Unknown

The Bayou D'Arbonne Lake Watershed District's legal advisor is unable to estimate the effect on the financial statements of potential claims not covered by insurance.

2. No costs resulting from claims and litigation were incurred in the current year.

M. RELATED PARTY TRANSACTIONS

There are no related party transaction to be reported during the period under review.

N. ACCOUNTING CHANGES

None.

O. IN-KIND CONTRIBUTIONS

At December 31, 2004, the district did not have any reportable in-kind contributions.

P. DEFEASED ISSUES

None.

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Q. COOPERATIVE ENDEAVORS

None.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

None.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISION

The district was not in violation of any contractual provisions at December 31, 2004.

T. SHORT-TERM DEBT

The District did not have any short term debt at December 31, 2004.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2004, were as follows:

Activity	Taxes	Total
Operations	None =====	None =====

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2004, were as follows:

Activity	Vendors	Total
Operations	None =====	None =====

W. SUBSEQUENT EVENTS

There were no events occurring between the December 31, 2004 and the date of the report.

X. SEGMENT INFORMATION

The district does not have any reportable segments.

Y. DUE TO/FROM AND TRANSFERS

During the period under audit there were not due to/from transactions.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

None.

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)

Required Supplemental Information

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 FOR THE TWO YEARS ENDED DECEMBER 31, 2004**

<u>MEMBER</u>	<u>PER DIEM</u>
Lawrence Hill	
Trott Hunt – President	
Bill Roark – Vice President	
Paul Bullock – Sect./Treasurer	
Ronny Graham	
Steve Cagle	
Larry Turner	

TOTAL	NONE =====

Per Louisiana revised Statute 38:2555 the members of the Board of Commissioners shall receive no compensation for their services.

McRight & Associates

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Baton Rouge, Louisiana 70816
(225) 292-2041
MBA

L. Dalton McRight, CPA, MBA

Jeanette R. McRight, CPA,

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

Board of Commissioners
Bayou D'Arbonne Lake Watershed District

We have audited the basic financial statements of the Bayou D'Arbonne Lake Watershed District, a component unit of the State of Louisiana, as of and for the two years ended December 31, 2004, and have issued our report thereon dated June 9, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Auditing Guide.

Compliance

As part of obtaining reasonable assurance about whether the Bayou D'Arbonne Lake Watershed District's basic purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instance of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bayou D'Arbonne Lake Watershed District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the Board of Commissioners, management, State of Louisiana, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

McRight & Associates

MCRIGHT & ASSOCIATES, CPAS
June 9, 2005

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AS OF AND FOR THE TWO YEARS ENDED DECEMBER 31, 2004

There were no prior year audit findings.

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (Component Unit)
SCHEDULE OF CURRENT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE TWO YEARS ENDED DECEMBER 31, 2004

SECTION 1 SUMMARY OF AUDITORS' REPORTS/RESULTS

A. The type of report issued on the financial statements was an unqualified opinion.

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

Internal Control Material Weaknesses Yes No

Internal Control Reportable Condition Yes No

Compliance Material to Financial Statements Yes No

C. Federal Awards

Not applicable

D. A management letter was not issued.

SECTION II FINANCIAL STATEMENT FINDINGS

None

The following pages contain the Division of Administration Reporting Package for the year ended December 31, 2004.

BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2004

C O N T E N T S

Statements

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**STATE OF LOUISIANA
BAYOU D'ARBOONNE LAKE WATERSHED DISTRICT
BALANCE SHEET
AS OF DECEMBER 31, 2004**

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 65,311
Investments (Note C2)	_____
Receivables (net of allowance for doubtful accounts)(Note U)	_____
Due from other funds (Note Y)	_____
Due from federal government	_____
Inventories	_____
Prepayments	_____
Notes receivable	_____
Other current assets	_____
Total current assets	65,311
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	_____
Investments	_____
Receivables	_____
Notes receivable	_____
Capital assets (net of depreciation)(Note D)	_____
Land	14,970
Buildings and improvements	_____
Machinery and equipment	_____
Infrastructure	_____
Construction in progress	_____
Other noncurrent assets	_____
Total noncurrent assets	14,970
Total assets	\$ 80,281
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ _____
Due to other funds (Note Y)	_____
Due to federal government	_____
Deferred revenues	_____
Amounts held in custody for others	_____
Other current liabilities	_____
Current portion of long-term liabilities:	
Contracts payable	_____
Reimbursement contracts payable	_____
Compensated absences payable (Note K)	_____
Capital lease obligations - (Note J)	_____
Notes payable	_____
Liabilities payable from restricted assets (Note Z)	_____
Bonds payable	_____
Other long-term liabilities	_____
Total current liabilities	0
NON-CURRENT LIABILITIES:	
Contracts payable	_____
Reimbursement contracts payable	_____
Compensated absences payable (Note K)	_____
Capital lease obligations (Note J)	_____
Notes payable	_____
Liabilities payable from restricted assets (Note Z)	_____
Bonds payable	_____
Other long-term liabilities	_____
Total long-term liabilities	0
Total liabilities	0
NET ASSETS	
Invested in capital assets, net of related debt	14,970
Restricted for:	
Capital projects	_____
Debt service	_____
Unemployment compensation	_____
Other specific purposes	_____
Unrestricted	65,311
Total net assets	80,281
Total liabilities and net assets	\$ 80,281

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

**STATE OF LOUISIANA
 BAYOU D'ARBOINNE LAKE WATERSHED DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____
OPERATING EXPENSES	
Cost of sales and services	_____ 402,000
Administrative	_____
Depreciation	_____
Amortization	_____
Total operating expenses	_____ 402,000
Operating income(loss)	_____ (402,000)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____ 314,508
Taxes	_____ 22,996
Use of money and property	_____ 1,338
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	_____ 338,842
Income(loss) before contributions and transfers	_____ (63,158)
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ (63,158)
Total net assets – beginning as restated	_____ 143,439
Total net assets – ending	\$ _____ 80,281

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

Statement B

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
BTA	\$ <u>402,000</u>	\$ <u>0</u>	\$ <u>314,508</u>	\$ <u>(87,492)</u>
General revenues:				
Taxes				<u>22,996</u>
State appropriations				<u> </u>
Grants and contributions not restricted to specific programs				<u> </u>
Interest				<u>1,338</u>
Miscellaneous				<u> </u>
Special items				<u> </u>
Transfers				<u> </u>
Total general revenues, special items, and transfers				<u>24,334</u>
Change in net assets				<u>(63,158)</u>
Net assets - beginning				<u>143,439</u>
Net assets - ending				\$ <u>80,281</u>

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash flows from operating activities		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		<u>(397,179)</u>
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>(397,179)</u>
Cash flows from non-capital financing activities		
State appropriations		<u>22,996</u>
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		<u>314,508</u>
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>337,504</u>
Cash flows from capital and related financing		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>-</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>1,338</u>
Net cash provided(used) by investing activities		<u>1,338</u>
Net increase(decrease) in cash and cash equivalents		<u>(58,337)</u>
Cash and cash equivalents at beginning of year		<u>123,648</u>
Cash and cash equivalents at end of year	\$	<u><u>65,311</u></u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

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

Operating income(loss)		\$ <u>(402,000)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	4,989	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(168)	
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
 Net cash provided(used) by operating activities		 \$ <u><u>(397,179)</u></u>

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
Notes to the Financial Statement
As of and for the year ended December 31, 2004**

INTRODUCTION

The Bayou D'Arbonne Lake Watershed District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:2551. The Bayou D'Arbonne Lake Watershed District is a component unit of the State of Louisiana.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of Bayou D'Arbonne Lake Watershed District present information only as to the transactions of the programs of the Bayou D'Arbonne Lake Watershed District as authorized by Louisiana statutes and administrative regulations.

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

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

As a budgetary unit of the State of Louisiana, Bayou D'Arbonne Lake Watershed District is exempt from the requirements of the *Louisiana Local Government Budget Act*. However, the District does adopt a budget for the operating account.

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 Notes to the Financial Statement
 As of and for the year ended December 31, 2004**

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

The deposits at December 31, 2004, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>65,311</u>	\$ _____	\$ _____	\$ <u>65,311</u>
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	_____	_____	_____	-
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name	_____	_____	_____	-
Total Category 3 bank balances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total bank balances (All categories including category 3 reported above)	\$ <u>65,311</u>	\$ _____	\$ _____	\$ <u>65,311</u>

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 Notes to the Financial Statement
 As of and for the year ended December 31, 2004**

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

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	Commer. Trust	Checking	\$ 65,311
2.			
3.			
4.			
Total			\$ 65,311

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

Cash in State Treasury	\$	
Petty cash	\$	

2. INVESTMENTS

None

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

The district's fixed assets at December 31, 2004 consist only of land; therefore, there is no depreciation expense for the year. In addition, the district's infrastructure is estimated to total less than \$3,000,000 and therefore is not capitalized and depreciated. Infrastructure consists of flood-alert equipment, channel markings, boat launch ramps, and other improvements.

E. INVENTORIES

The district's inventories are considered immaterial and are expensed when purchased.

F. RESTRICTED ASSETS

The district does not have any restricted assets at December 31, 2004.

**STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
Notes to the Financial Statement
As of and for the year ended December 31, 2004**

G. LEAVE

The district does not have any employees.

H. RETIREMENT SYSTEM

The district does not have any employees.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The district does not have any employees or retired employees.

J. LEASES

At December 31, 2004 the district did not have any leases outstanding.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2004:

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	--
Reimbursement contracts payable					--
Bonds payable					--
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable					--
Compensated absences payable	--	--		--	--
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	--	--	--	--	--
Total long-term liabilities	--	--	--	--	--

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 Notes to the Financial Statement
 As of and for the year ended December 31, 2004**

L. LITIGATION

1. The District is a defendant in three litigations seeking unspecified damages.

M. RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended December 31, 2004.

N. ACCOUNTING CHANGES

None.

O. IN-KIND CONTRIBUTIONS

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
None. _____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

P. DEFEASED ISSUES

The district did not issue any taxable bonds.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 Notes to the Financial Statement
 As of and for the year ended December 31, 2004**

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2003-2004:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
	NONE		\$
Total government-mandated nonexchange transactions (grants)			\$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2004, the board was not in violation of finance-related legal or contractual provisions.

T. SHORT-TERM DEBT

The district does not issue short-term notes.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2004, were as follows:

<u>Activity</u>	<u>Customer Receivables</u>	<u>Taxes</u>	<u>Receivables from other Governments</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
BTA	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receivables	\$ -	\$ -	\$ -	\$ -	\$ -
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 Notes to the Financial Statement
 As of and for the year ended December 31, 2004**

Payables at December 31, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
BTA	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
					\$ _____ -
Total payables	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

W. SUBSEQUENT EVENTS

None.

X. SEGMENT INFORMATION

The district does not have any reportable segments.

Y. DUE TO/DUE FROM AND TRANSFERS

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

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	_____
Total due from other funds		\$ _____

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

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	_____
Total due to other funds		\$ _____

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

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	_____
Total transfers from other funds		\$ _____

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 Notes to the Financial Statement
 As of and for the year ended December 31, 2004**

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

None.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for December 31, 2004.

<u>Fund balance Jan. 1, 2004 previously reported</u>	<u>Adjustments + or (-)</u>	<u>Beginning net assets, Jan. 1, 2004 As restated</u>
175,200	\$ (31,731)	\$ 143,469
_____	_____	---
_____	_____	---
_____	_____	---
_____	_____	---
_____	_____	---

Restatement was due to audit adjustments for the year ended December 31, 2003.

STATE OF LOUISIANA
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
SCHEDULE OF STATE FUNDING
For the Year Ended December 31, 2004
(Fiscal Close)

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

SCHEDULE 2

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended December 31, 2004
 (Fiscal Close)**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended December 31, 2004**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2005	\$ _____	\$ _____	\$ _____	\$ _____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2010-2014	_____	_____	_____	_____ --
2015-2019	_____	_____	_____	_____ --
2020-2024	_____	_____	_____	_____ --
2025-2029	_____	_____	_____	_____ --
Total	\$ _____ --	\$ _____ --	_____ --	_____ --

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For The Year Ended December 31, 2004**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
 Total	 \$ <u> --</u>	 \$ <u> --</u>

**STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended December 31, 2004**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
Total	\$ <u> --</u>	\$ <u> --</u>

STATE OF LOUISIANA
 BAYOU D'ARBOONNE LAKE WATERSHED DISTRICT
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION
 NON-GAAP BASIS
 31-Dec-04

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/04	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$ _____	\$ _____	-	\$ _____	\$ _____
Sales of Commodities and Services	_____	_____	-	_____	-
Other	_____	_____	-	_____	-
Total Operating revenues	\$ _____	\$ _____	-	\$ _____	\$ _____
Operating Expenses:					
Personal services	\$ _____	\$ _____	-	\$ _____	\$ _____
Travel	_____	_____	-	_____	-
Operating Services	_____	_____	-	_____	-
Supplies	_____	_____	-	_____	-
Professional services	_____	_____	-	_____	-
Capital outlay	_____	_____	-	_____	-
Interagency transfers	_____	_____	-	_____	-
Other charges	_____	_____	-	_____	-
Total Operating Expenses	\$ _____	\$ _____	-	\$ _____	\$ _____
Nonoperating Expenses:					
Use of Money and Property	_____	_____	-	_____	-
Gain (Loss) on Disposal of Fixed Assets	_____	_____	-	_____	-
Federal Grants	_____	_____	-	_____	-
Interest Expense	_____	_____	-	_____	-
Other	_____	_____	-	_____	-
Total Nonoperating Expenses	\$ _____	\$ _____	-	\$ _____	\$ _____
Capital Contributions	_____	_____	-	_____	-
Operating Transfers In	_____	_____	-	_____	-
Operating Transfers Out	_____	_____	-	_____	-
Change in Net Assets	\$ _____	\$ _____	-	\$ _____	\$ _____

Continued

Schedule 5

STATE OF LOUISIANA
BAYOU D'ABRONNE LAKE WATERSHED DISTRICT
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
YEAR ENDED DECEMBER 31, 2004

Budgeted Income (Loss)	\$ _____
Reconciling items:	
Cash carryover	_____
Depreciation	_____
Payroll accrual	_____
Compensated absences adjustment	_____
Capital outlay	_____
Change in inventory	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____ -

Concluded

STATE OF LOUISIANA
 BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
 COMPARISON FIGURES

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

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 338,842	\$ 173,475	\$ 165,367	\$ 96%
Expenses	402,000	191,402	210,598	110%
2) Capital assets	14,970	14,970	-0-	-0-
Long-term debt	-0-	-0-	-0-	-0-
Net Assets	80,281	143,439	(63,158)	44%

Explanation for change: GRANTS FOR SPECIAL PROJECTS INCREASED
THUS EXPENSES INCREASED

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Expenditures	-0-	-0-	-0-	-0-

Explanation of change: _____

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$-0-	-0-	\$-0-	-0-
Expenditures	\$-0-	\$-0-	\$-0-	-0-

Explanation of change: _____