

**BAYOU D'ARBONNE LAKE
WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2015**



**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners
Bayou D'Arbonne Lake Watershed District

We have compiled the accompanying financial statements of the business-type activities of Bayou D'Arbonne Lake Watershed District, a component unit of the State of Louisiana, as of and for the year ended December 31, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of Bayou D'Arbonne Lake Watershed District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 16 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed or compiled by us, and accordingly, we do not express an opinion or provide any assurance on it.

The supplementary information appearing on pages 29 through 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have not compiled, reviewed, or audited the supplementary information and do not express an opinion or any form of assurance on it.

The section beginning on is labeled Division of Administration, Office of Statewide Reporting and Accounting Police (OSRAP), Annual Fiscal Report. Page numbering within this section is 1 through 19. Within this section, pages 1 through 17 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information on pages 1 through 17 has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information. Within the same section, the supplementary information appearing on pages 18 and 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have not compiled, reviewed, or audited the supplementary information and do not express an opinion or any form of assurance on it.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
July 27, 2016



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Board
Bayou D'Arbonne Lake Watershed District

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the District is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the District and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2015.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

General

1. Determine if there are adequate written policies and procedures for the primary financial/business functions of the entity (budgeting, receipts, purchasing, disbursements, payroll/personnel, contracting, travel, related parties, and ethics).

We requested a copy of all Board policies and procedures. No such policies and procedures were included in the documents received from the entity. The Board President stated that no such policies have been adopted due to the small size of the district and the lack of employees.

Conclusion: Appropriate policies have not been adopted.

Response: As the District has very limited operations and no employees, the cost of implementing the policies seems to outweigh the benefits.

- Using the financial statements or AFR, perform analytical procedures comparing current and prior year financial statements by line item. Identify and obtain explanations for variances of 10% or greater for line items that are 10% or more of the respective total assets, liabilities, equity, revenues, or expenses.

We performed the required analytical procedures. The following schedule presents variances of the items that were greater than 10% of totals.

	2015	2014	Variance	Percent Variance	Percent of Total
Current assets:					
Cash and cash equivalents	\$ 179,540	\$ 236,073	\$ (56,533)	-24%	72%
Receivables, net of allowances	54,413	12,718	41,695	328%	22%
Contracts payable	42,900	-	42,900	100%	96%
Net position - unrestricted	189,320	246,241	(56,921)	-23%	93%
Special projects	538,069	30,993	507,076	1636%	92%
Intergovernmental	465,110	36,777	428,333	1165%	89%

All of the variances are attributable to special projects.

Conclusion: We noted no errors or conditions.

Cash

- Prepare a proof of cash for the period covered by the financial statements.

We prepared the proof of cash and noted no irregularities.

Conclusion: We noted no errors or conditions.

- Determine if cash collection responsibilities are adequately segregated to ensure that the person responsible for cash collections is not responsible for posting accounts receivable or making deposits.

There are no employees. The only receivables are for franchise taxes and grants. The District earns and collects only franchise taxes, interest income, parish support payments, and grant revenues. The Board Vice President and the Board Treasurer retrieve the mail and open the bank statements. An outside accountant maintains the general ledger.

Conclusion: We noted no errors or conditions.

3. Determine if bank reconciliations have been prepared for all months in the period covered by the financial statements. Determine if there is evidence of management review of the bank reconciliations. Determine if the reconciled balance for the final month of the fiscal year agrees to the general ledger.

The bookkeeper prepared bank reconciliations for January through December. They provided us with bank reconciliations for all twelve months. The bank reconciliations lacked evidence of management review. The final month's balance agrees to the general ledger.

Conclusion: The District retained bank reconciliations for all twelve months. There was no evidence of management review of the reconciliations.

Response: The Board will appoint someone to review the bank reconciliations.

Credit Cards

1. Obtain from management a listing of all credit cards (and bank debit cards if applicable) for the period under examination, including the card numbers and the names of the persons who maintained possession of the cards.

We requested a listing of credit and debit cards from the board. The Board President stated that there are no credit or debit cards in the District's name.

Conclusion: We noted no errors or conditions.

2. Obtain the monthly statements for all credit/debit cards used during the period under examination and select for detailed review the largest (dollar amount) statement for the two cards with the most (dollar amount) activity.

See item 1 above.

- a. Obtain the entity's supporting documentation for the largest purchase/charge shown on each selected monthly statement.

See above.

- i. Determine if each purchase is supported by:

1. An original itemized receipt (i.e., identifies precisely what was purchased)

See above.

2. Documentation of business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)

See above.

3. Other documentation as may be required by policy (e.g., purchase order, authorization, etc.)

See above.

- ii. Determine if selected purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law (i.e., large or recurring purchases requiring the solicitation of bids or quotes).

See above.

- b. Determine if there is evidence of management review of the two selected statements.

See above.

Travel and Expense Reimbursement

1. Obtain a listing of all travel and related expense reimbursements during the period under examination and trace to the general ledger for completeness. Select for review the three persons who were reimbursed the most money.

We requested a listing of travel and related expenses from the board. The Board President stated that there were no such expense reimbursements. We scanned the general ledger and noted no such payments.

Conclusion: We noted no errors or conditions.

- a. Obtain all of the expense reimbursement reports of each selected person, including the supporting documentation, and choose the largest expense report from each person to review in detail.

See above.

- i. Determine if each expenditure is:

1. Reimbursed in accordance with written policy (e.g., rates established for meals, mileage, lodging, etc.) and applicable laws.

See above.

2. For an appropriate and necessary business purpose relative to the travel.

See above.

- ii. Determine if each expenditure is supported by:

1. An original itemized receipt (i.e., identifies precisely what was purchased) [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) generally does not require a receipt.]

See above.

2. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)

See above.

3. Other documentation as may be required by policy (e.g., authorization for travel, conference brochure, certificate of attendance, etc.)

See above.

- iii. Determine if each expense report (including documentation) was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

See above.

Contracts

1. Review accounting records (e.g. general ledgers, accounts payable reports, etc.) for the period under examination to identify individuals/businesses being paid for contracted services (e.g., professional, technical, etc.). Select the five “vendors” that were paid the most money during the period and determine if there is a formal/written contract that supports the services arrangement.

We reviewed the accounting records and noted the following individuals/businesses being paid the most for contracted services:

1. *Louisiana Bridge* \$364,816.27
2. *Riley Company of LA, Inc.* \$72,345.95
3. *RHTC Inc.* \$67,467.82
4. *Read Lumber & Supply* \$7,667.16
5. *William S Carter Jr* \$8,100.00

Formal written contracts support the services from Max Foote Construction Co. and Riley Company. The other services would not necessarily require written contracts.

Conclusion: We noted no errors or conditions.

2. Obtain a listing of all active contracts and the expenditures made during the period under examination and trace to the general ledger for completeness. Select for detailed review the largest (dollar amount) contract in each of the following categories that was entered into during the period.

- (1) Services

- (2) Materials and supplies

- (3) Public works

We requested a listing of contracts. The bookkeeper stated that the general ledger is the evidence for such contracts. However, the general ledger does not identify expenses by contract, but only by vendor or contractor. The vendor with the largest total expenditures for services was Riley Company for engineering services. Expenses totaled \$72,346.

We noted no contracts for materials and supplies. The largest amount incurred by the District with one vendor for materials or supplies during 2015 appeared to be Read Lumber and Supplies. Expenses totaled \$7,667.

The vendor paid with the largest total expenditures for public works was Louisiana Bridge. Expenses totaled \$405,351. The expenses were supported by contractor's applications for payment under a spillway project.

Conclusion: We noted no errors or conditions.

- a. Obtain the selected contracts and the related paid invoices and:

We obtained the contracts and invoices.

1. Determine if the contract is a related party transaction by obtaining management's representation.

Per the Board President, the contracts are not related party transactions.

2. Determine if the transaction is subject to the Louisiana Public Bid Law or Procurement Code.

The construction contract is subject to the Bid Law.

- If yes, determine if the entity complied with all requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder, etc.)

We inspected newspaper advertisements, minutes, and a bid tabulation. The District appears to have advertised as required and awarded the contract to the lowest bidder.

- If no, determine if the entity provided an open and competitive atmosphere (a good business practice) for the transaction/work.

In a prior year, the District solicited proposals for the engineering services and evaluated the proposals using a point system.

Conclusion: We noted no errors or conditions.

3. Determine if the contract was amended. If so, determine whether the original contract contemplated or provided for such an amendment. Furthermore, determine if the amendment is outside the scope of the original contract, and if so, whether it should have been separately bid and contracted.

The original contract for Louisiana Bridge was \$463,560. There have been two approved change orders totaling a net decrease of \$58,209. The purposes for the change orders did not appear to be outside the scope of the original contract.

The engineering contract does not appear to have been amended for this project. It should be noted that the contract is actually supplemental agreement number nine to an original contract executed in 2003. Each time the engineer's scope of work is changed, a supplemental agreement is approved.

Conclusion: We noted no errors or conditions.

4. Select the largest payment from each of the 3 largest contracts selected above and determine if the invoice(s) received and payment complied with the terms and conditions of the contract.

We examined the largest invoice for each contract.

Conclusion: We noted no errors or conditions.

5. Determine if there is documentation of board approval, if required.

The Board approved the Louisiana Bridge and Riley contracts as evidenced by the minutes. The invoices and payments were reviewed and approved by the engineer and the President of the Board. We noted no Board approval for Read Lumber. However, at least one board member signs each check.

Conclusion: We noted no errors or conditions.

Payroll and Personnel

1. Obtain a listing of employment contracts/salaries in force during the period under examination and trace to the general ledger for completeness. Select the five highest paid employees and:

We requested the listing from the board. The Board President stated that there were no employees during 2015. We noted no indications of payments to employees in the general ledger.

Conclusion: We noted no errors or conditions.

- a. Determine if payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract or pay rate structure.

See above.

- b. Determine if changes made to hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

See above.

2. Select the attendance and leave records for one pay period in which leave has been taken by at least one employee and:

- a. Determine if all employees are documenting their daily attendance and leave (e.g., vacation, sick, etc.). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

See above.

- b. Determine if supervisors are approving, in writing, the attendance and leave of all employees.

See above.

- c. Determine if the entity is maintaining accurate written leave records (e.g., hours earned, hours used, and balance available) on all eligible employees.

See above.

3. Select the two largest termination payments (e.g., vacation, sick, compensatory time, etc.) made during the period under examination. Determine if the payments were supported by adequate documentation, made in strict accordance with policy and/or contract, and properly approved.

See above.

Budget

1. Obtain a copy of the legally adopted budget and all amendments.

We requested and received the original budget. There was no copy of an amendment. However, in the minutes of the meeting of January 19, 2016, the board voted to "adjust the budget to the actual expenses of 2015."

Conclusion: We noted no errors or conditions.

2. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of the meeting held on December 3, 2014. See number 1 regarding the amendment.

Conclusion: We noted no errors or conditions.

3. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the final statements or AFR. Report variances of 10% or greater.

As the board amended the budget "to the actual expenses of 2015", there were no significant variances.

Conclusion: We noted no errors or conditions.

Debt Service

1. If debt was issued during the financial statement period, verify that State Bond Commission approval was obtained, as applicable.

We requested all debt agreements from the board. The Board President stated that there was no debt outstanding during 2015.

Conclusion: We noted no errors or conditions.

2. Determine compliance with applicable debt covenants.

See above.

Corrective Action

1. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See above.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Bayou D'Arbonne Lake Watershed District
Agreed-Upon Procedures Report
December 31, 2015

This report is intended solely for the use of management of Bayou D'Arbonne Lake Watershed District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
July 27, 2016

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2015**

The Management's Discussion and Analysis of the Bayou D'Arbonne Lake Watershed District's (BTA) financial performance presents a narrative overview and analysis of Bayou D'Arbonne Lake Watershed District's (BTA) financial activities for the year ended December 31, 2015. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the financial statements, which begin on page 15.

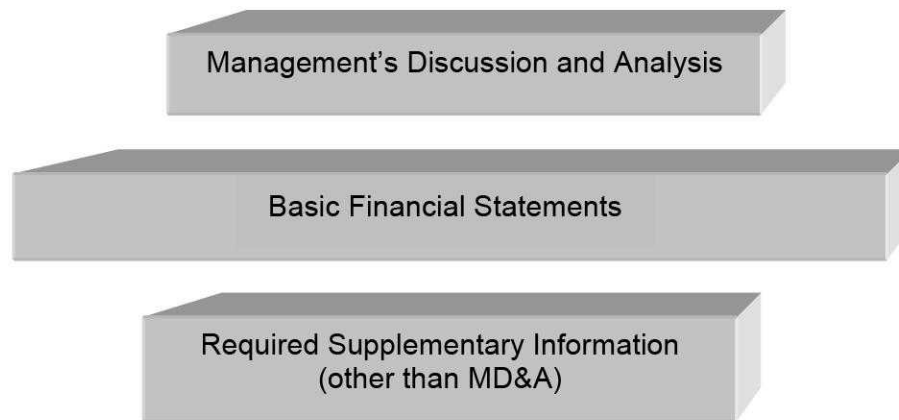
FINANCIAL HIGHLIGHTS

The Bayou D'Arbonne Lake Watershed District's (BTA) had net position of \$204,290. There was a decrease in net position of \$56,921.

For the past few years, the District has been working on a project funded by a Louisiana Department of Transportation grant for repairs to the spillway. The project is identified as the Tainter Gate Project. The budget for the project as of November 11, 2015 and January 7, 2016 was \$9,859,709 and \$9,369,709, respectively, compared to the original budget of \$11,676,628. Funds expended through November 11, 2015 were \$9,251,712. Funds expended through January 7, 2016 were \$9,298,279.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**BAYOU D'ARBONE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis (CONTINUED)
As of and for the Year Ended December 31, 2015**

Basic Financial Statements

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

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Bayou D'Arbonne Lake Watershed District (BTA) is improving or deteriorating.

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Fund Net Position

NET POSITION

	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 233,953	\$ 248,791
Capital assets, net	<u>14,970</u>	<u>14,970</u>
Total assets	<u>248,923</u>	<u>263,761</u>
Liabilities:		
Current	<u>44,633</u>	<u>2,550</u>
Fund net position:		
Net investment in capital assets	14,970	14,970
Unrestricted	<u>189,320</u>	<u>246,241</u>
Total fund net position	<u>\$ 204,290</u>	<u>\$ 261,211</u>

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. The District has no such equity at December 31, 2015. Unrestricted net position does not have any limitations on spending.

**BAYOU D'ARBONE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis (CONTINUED)
As of and for the Year Ended December 31, 2015**

Net position of Bayou D'Arbonne Lake Watershed District (BTA) decreased by \$56,921 or 22%, from December 31, 2014, to December 31, 2015.

CHANGE IN NET POSITION

	<u>2015</u>	<u>2014</u>
Program revenues:		
Operating grants and contributions	\$ 465,110	\$ 36,777
General revenues:		
Other taxes	59,847	58,128
Other	402	3,910
Total revenues	<u>525,359</u>	<u>98,815</u>
Expenses:		
Water conservation	<u>582,280</u>	90,895
Change in fund net position	(56,921)	7,920
Fund net position at beginning of year	<u>261,211</u>	253,291
Fund net position at end of year	<u>\$ 204,290</u>	<u>\$ 261,211</u>

Total revenues increased \$426,544 while the total cost of all programs and services increased by \$491,385. The variance is due to changes in the tainter gate project funded by the state.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2015, the Bayou D'Arbonne Lake Watershed District (BTA) had \$14,970 invested in land. The District does not consider infrastructure such as boat launches to be material and does not capitalize them.

The District has no debt at December 31, 2015.

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, is reviewed by the Board. There were no amendments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2016 budget for operations adopted by the Board is consistent with previous years' operating results. The budget also includes revenue and related expenses to be provided by a DOTD grant.

**BAYOU D'ARBONE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis (CONTINUED)
As of and for the Year Ended December 31, 2015**

CONTACTING THE DISTRICT'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Bayou D'Arbonne Lake Watershed District's (BTA) finances and to show the District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board at P. O. Box 696, Farmerville, Louisiana 71241.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

Statement A

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015**

ASSETS

Current assets:

Cash and cash equivalents \$ 179,540

Receivables, net of allowances 54,413

Total current assets 233,953

Noncurrent assets:

Capital assets, net of accumulated depreciation 14,970

TOTAL ASSETS 248,923

LIABILITIES

Current liabilities:

Accounts, salaries, and other payables 1,733

Contracts payable 42,900

TOTAL LIABILITIES 44,633

NET POSITION

Net investment in capital assets 14,970

Unrestricted 189,320

TOTAL NET POSITION \$ 204,290

See accompanying notes and accountant's compilation report.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Operating expenses:	
Cost of services	\$ 6,650
Administration	37,561
Special projects	538,069
Total operating expenses	<u>582,280</u>
Operating loss	<u>(582,280)</u>
Nonoperating revenues:	
Intergovernmental	465,110
Franchise taxes	59,847
Other revenues	402
Total nonoperating revenues	<u>525,359</u>
Change in net position	(56,921)
Net position at beginning of year	<u>261,211</u>
Net position at end of year	<u>\$ 204,290</u>

See accompanying notes and accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

Statement C

**STATEMENT OF ACTIVITIES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Water conservation	<u>\$ 582,280</u>	<u>\$ -</u>	<u>\$ 465,110</u>	<u>\$ -</u>	<u>\$ (117,170)</u>
General revenues:					
Unrestricted investment earnings					-
Franchise taxes					59,847
Other					402
Total general revenues and transfers					<u>60,249</u>
Change in fund net position					<u>(56,921)</u>
Fund net position at beginning of year					<u>261,211</u>
Fund net position at end of year					<u><u>\$ 204,290</u></u>

See accompanying notes and accountant's compilation report.

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

Statement D

STATEMENT OF CASH FLOWS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Payments to suppliers and contractors	\$ (540,196)
Net cash provided (used) by operating activities	<u>(540,196)</u>
Cash flows from noncapital financing activities:	
Taxes	61,052
State grants	418,610
Local grants	3,600
Other receipts	401
Net cash provided (used) by noncapital and related financing activities	<u>483,663</u>
Cash flows from capital and related financing activities	-
Cash flows from investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(56,533)
Cash and cash equivalents, beginning of year	236,073
Cash and cash equivalents, end of year	<u>\$ 179,540</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating loss	\$ (582,280)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	(816)
Increase (decrease) in contracts payable	42,900
Total adjustments	42,084
Net cash provided (used) by operating activities	<u>\$ (540,196)</u>
Noncash investing, capital and financing activities:	
None	

See accompanying notes and accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Introduction

The Bayou D'Arbonne Lake Watershed District (BTA) (the District) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:2551.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The State of Louisiana (State) reporting entity consists of the various departments, agencies, activities, and organizational units that are within the control and authority of the Louisiana Legislature and/or constitutional officers of the State. The State, like the United States, has three branches of government – legislative (bicameral), executive, and judicial.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations are Component Units*, a legally separate entity is considered a component unit of the State if at least one of the following criteria is met:

1. The State appoints a voting majority of the organization's governing body and is either able to impose its will on that organization or there is a potential financial benefit/burden to the State.
2. The entity is fiscally dependent on the State.
3. The nature and significance of the relationship between the State and the entity is such that exclusion would cause the financial statements of the State to be misleading or incomplete.

Depending on the closeness of their relationship with the State, some component units are blended with the State reporting entity, while others are discretely reported. The District is a discretely reported component unit of the State because the board members are appointed by the State and the State is able to impose its will on the District through budgetary oversight. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the State, the general government services provided by the State, or the other governmental units that comprise the financial reporting entity.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of accounting

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

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

The financial report consists of Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and required supplementary information other than the MD&A. The MD&A provides an overview of the financial activities of the District. The basic financial statements include the government-wide financial statements, fund financial statements, and the notes to the basic financial statements.

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the District by reporting each in a separate column. The District has no governmental activities.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the District. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

The fund financial statements report the District as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due. The District does not have any governmental funds.
- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The District does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows.

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 Bayou D'Arbonne Lake Watershed District (BTA) 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.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

B. BUDGETARY ACCOUNTING

As a budgetary unit of the State of Louisiana, the 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.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 (BTA) may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks; and in share accounts and share certificate accounts of federally or state chartered credit unions.

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

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

GASB Statement No. 40, which amended GASB Statement No. 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement No. 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

The deposits at December 31, 2015, consisted of the following:

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other</u>	<u>Total</u>
Balance per agency books	\$ 179,540	\$ -	\$ -	\$ 179,540
Deposits in bank accounts per bank	<u>\$ 179,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,540</u>
Bank balances of deposits exposed to custodial credit risk:				
Deposits not insured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deposits not insured and collateralized with securities held by the pledging institution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Program</u>	<u>Amount</u>
Water Conservation	<u>\$ 179,540</u>

Investments

The Bayou D'Arbonne Lake Watershed District (BTA) does not maintain investment accounts.

D. CAPITAL ASSETS

The capital assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. The District's capital assets at December 31, 2015, consist only of land; therefore, no depreciation expense is recognized in the accompanying financial statements. The District's infrastructure is considered to be immaterial and 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.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

F. COMMITMENT

On May 27, 2015, the District awarded a \$463,560 contract for repairs to the spillway to be funded by a Louisiana Department of Transportation and Development grant. The District has approved two change orders adjusting the contract to \$405,351. The retainage on the contract was paid in February 2016.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 27, 2016, the date on which the financial statements were available to be issued.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**MANAGEMENT LETTER
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

We did not perform an audit or review of the financial statements as of and for the year ended December 31, 2015. However, while performing our compilation procedures and following up on prior year findings as required by the *Louisiana Governmental Audit Guide*, we noted the following matter that must be communicated to management of the District.

This communication is intended solely for the information and use of the Board, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Louisiana Legislative Auditor as a public document.

2015-1 Late Report

Condition

The District's compilation and attestation report will be submitted after June 30, 2015.

Criteria

Louisiana Revised Statute 24:513 requires that the District's annual report be submitted to the Legislative Auditor by June 30, 2015.

Cause

The data was submitted to the accountant during June following a reminder from the accountant with a list of needed data. Ordinarily, the accountant can make arrangements to complete the engagement in that short time frame and submit the report before June 30th. However, this time, several entities submitted data late in the cycle and/or had issues that required more of the accountant's time. Therefore, the accountant was unable to complete the engagement by June 30, 2016.

Effect

The District is in violation of state law regarding submitting its annual report. Entities who are late are placed on a noncompliance list and cannot receive state funds until their report is submitted.

Recommendation

We recommend that the District ensure that data is complete and submitted to the accountant as early as possible. Ideally, the District should be ready for the compilation and the attestation within sixty days of year end.

Corrective Action Plan

The District will implement the accountant's recommendation.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken Yes, No, Partially	Planned Corrective Action/Partial Corrective Action Taken
AUP General 1	2011	Appropriate written policies and procedures for the primary financial/business functions of the entity were not adopted.	No	See AUP report
AUP Cash 2	2011	The district did not retain copies of bank reconciliations.	Partially	See AUP report
ML-2014-1	2014	The district's report was submitted late.	No	See ML 2015-1

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Steve Cagle, President	\$ -
Edward Lee, Vice President	-
David Hopkins, Secretary-Treasurer	-
Cary Brown	-
Bruce Hampton	-
Trotter Hunt	-

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS
AND OTHER PAYMENTS TO AGENCY HEAD
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Steve Cagle, President

There were no payments to Mr. Cagle.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS MADE TO CONTRACTORS
FOR SURVEYS, FEASIBILITY STUDIES, AND SPECIAL STUDIES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

There were no such payments.

See accountant's compilation report.

DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING
AND ACCOUNTING POLICY
ANNUAL FISCAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

See accountant's compilation report.

Bayou D'Arbonne Lake Watershed District
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2015

C O N T E N T S

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**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2015**

The Management's Discussion and Analysis of the Bayou D'Arbonne Lake Watershed District's (BTA) financial performance presents a narrative overview and analysis of Bayou D'Arbonne Lake Watershed District's (BTA) financial activities for the year ended December 31, 2015. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the financial statements, which begin on page 15.

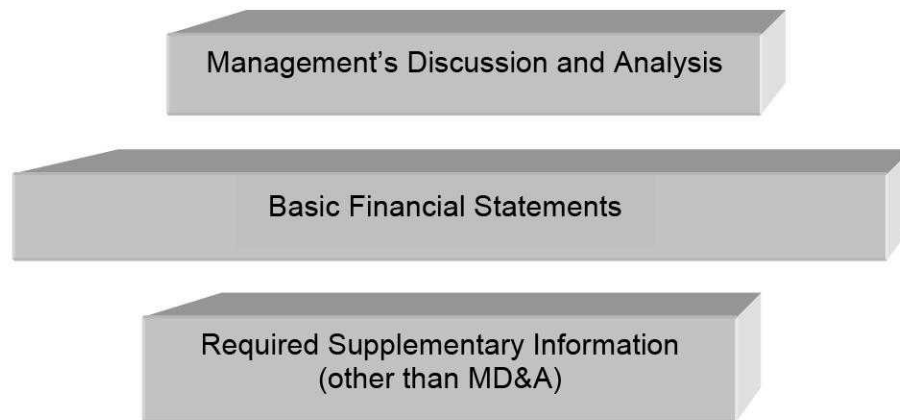
FINANCIAL HIGHLIGHTS

The Bayou D'Arbonne Lake Watershed District's (BTA) had net position of \$204,290. There was a decrease in net position of \$56,921.

For the past few years, the District has been working on a project funded by a Louisiana Department of Transportation grant for repairs to the spillway. The project is identified as the Tainter Gate Project. The budget for the project as of November 11, 2015 and January 7, 2016 was \$9,859,709 and \$9,369,709, respectively, compared to the original budget of \$11,676,628. Funds expended through November 11, 2015 were \$9,251,712. Funds expended through January 7, 2016 were \$9,298,279.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

BAYOU D'ARBONE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA

Management's Discussion and Analysis (Continued)
As of and for the Year Ended December 31, 2015

Basic Financial Statements

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

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Bayou D'Arbonne Lake Watershed District (BTA) is improving or deteriorating.

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Fund Net Position

NET POSITION

	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 233,953	\$ 248,791
Capital assets, net	<u>14,970</u>	<u>14,970</u>
Total assets	<u>248,923</u>	<u>263,761</u>
Liabilities:		
Current	<u>44,633</u>	<u>2,550</u>
Fund net position:		
Net investment in capital assets	14,970	14,970
Unrestricted	<u>189,320</u>	<u>246,241</u>
Total fund net position	<u>\$ 204,290</u>	<u>\$ 261,211</u>

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. The District has no such equity at December 31, 2015. Unrestricted net position does not have any limitations on spending.

**BAYOU D'ARBONE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis (Continued)
As of and for the Year Ended December 31, 2015**

Net position of Bayou D'Arbonne Lake Watershed District (BTA) decreased by \$56,921 or 22%, from December 31, 2014, to December 31, 2015.

CHANGE IN NET POSITION

	<u>2015</u>	<u>2014</u>
Program revenues:		
Operating grants and contributions	\$ 465,110	\$ 36,777
General revenues:		
Other taxes	59,847	58,128
Other	402	3,910
Total revenues	<u>525,359</u>	<u>98,815</u>
Expenses:		
Water conservation	<u>582,280</u>	90,895
Change in fund net position	(56,921)	7,920
Fund net position at beginning of year	<u>261,211</u>	253,291
Fund net position at end of year	<u>\$ 204,290</u>	<u>\$ 261,211</u>

Total revenues increased \$426,544 while the total cost of all programs and services increased by \$491,385. The variance is due to changes in the tainter gate project funded by the state.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2015, the Bayou D'Arbonne Lake Watershed District (BTA) had \$14,970 invested in land. The District does not consider infrastructure such as boat launches to be material and does not capitalize them.

The District has no debt at December 31, 2015.

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, is reviewed by the Board. There were no amendments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2016 budget for operations adopted by the Board is consistent with previous years' operating results. The budget also includes revenue and related expenses to be provided by a DOTD grant.

**BAYOU D'ARBONE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**Management's Discussion and Analysis (Continued)
As of and for the Year Ended December 31, 2015**

CONTACTING THE DISTRICT'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Bayou D'Arbonne Lake Watershed District's (BTA) finances and to show the District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board at P. O. Box 696, Farmerville, Louisiana 71241.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

Statement A

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015**

ASSETS

Current assets:

Cash and cash equivalents \$ 179,540

Receivables, net of allowances 54,413

Total current assets 233,953

Noncurrent assets:

Capital assets, net of accumulated depreciation 14,970

TOTAL ASSETS 248,923

LIABILITIES

Current liabilities:

Accounts, salaries, and other payables 1,733

Contracts payable 42,900

TOTAL LIABILITIES 44,633

NET POSITION

Net investment in capital assets 14,970

Unrestricted 189,320

TOTAL NET POSITION \$ 204,290

See accompanying notes and accountant's compilation report.

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

Statement B

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Operating expenses:	
Cost of services	\$ 6,650
Administration	37,561
Special projects	538,069
Total operating expenses	<u>582,280</u>
Operating loss	<u>(582,280)</u>
Nonoperating revenues:	
Intergovernmental	465,110
Franchise taxes	59,847
Other revenues	402
Total nonoperating revenues	<u>525,359</u>
Change in net position	(56,921)
Net position at beginning of year	<u>261,211</u>
Net position at end of year	<u>\$ 204,290</u>

See accompanying notes and accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

Statement C

**STATEMENT OF ACTIVITIES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Water conservation	<u>\$ 582,280</u>	<u>\$ -</u>	<u>\$ 465,110</u>	<u>\$ -</u>	<u>\$ (117,170)</u>
General revenues:					
					-
					59,847
					402
					<u>60,249</u>
					(56,921)
					<u>261,211</u>
					<u>\$ 204,290</u>

See accompanying notes and accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

Statement D

**STATEMENT OF CASH FLOWS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash flows from operating activities:	
Payments to suppliers and contractors	\$ (540,196)
Net cash provided (used) by operating activities	<u>(540,196)</u>
Cash flows from noncapital financing activities:	
Taxes	61,052
State grants	418,610
Local grants	3,600
Other receipts	401
Net cash provided (used) by noncapital and related financing activities	<u>483,663</u>
Cash flows from capital and related financing activities	-
Cash flows from investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(56,533)
Cash and cash equivalents, beginning of year	<u>236,073</u>
Cash and cash equivalents, end of year	<u>\$ 179,540</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating loss	\$ (582,280)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	(816)
Increase (decrease) in contracts payable	<u>42,900</u>
Total adjustments	<u>42,084</u>
Net cash provided (used) by operating activities	<u>\$ (540,196)</u>
Noncash investing, capital and financing activities:	
None	

See accompanying notes and accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Introduction

The Bayou D'Arbonne Lake Watershed District (BTA) (the District) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:2551.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The State of Louisiana (State) reporting entity consists of the various departments, agencies, activities, and organizational units that are within the control and authority of the Louisiana Legislature and/or constitutional officers of the State. The State, like the United States, has three branches of government – legislative (bicameral), executive, and judicial.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations are Component Units*, a legally separate entity is considered a component unit of the State if at least one of the following criteria is met:

4. The State appoints a voting majority of the organization's governing body and is either able to impose its will on that organization or there is a potential financial benefit/burden to the State.
5. The entity is fiscally dependent on the State.
6. The nature and significance of the relationship between the State and the entity is such that exclusion would cause the financial statements of the State to be misleading or incomplete.

Depending on the closeness of their relationship with the State, some component units are blended with the State reporting entity, while others are discretely reported. The District is a discretely reported component unit of the State because the board members are appointed by the State and the State is able to impose its will on the District through budgetary oversight. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the State, the general government services provided by the State, or the other governmental units that comprise the financial reporting entity.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of accounting

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

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

The financial report consists of Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and required supplementary information other than the MD&A. The MD&A provides an overview of the financial activities of the District. The basic financial statements include the government-wide financial statements, fund financial statements, and the notes to the basic financial statements.

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the District by reporting each in a separate column. The District has no governmental activities.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the District. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

The fund financial statements report the District as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due. The District does not have any governmental funds.
- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The District does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows.

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 Bayou D'Arbonne Lake Watershed District (BTA) 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.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

B. BUDGETARY ACCOUNTING

As a budgetary unit of the State of Louisiana, the 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.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 (BTA) may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks; and in share accounts and share certificate accounts of federally or state chartered credit unions.

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

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

GASB Statement No. 40, which amended GASB Statement No. 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement No. 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

The deposits at December 31, 2015, consisted of the following:

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other</u>	<u>Total</u>
Balance per agency books	\$ 179,540	\$ -	\$ -	\$ 179,540
Deposits in bank accounts per bank	\$ 179,540	\$ -	\$ -	\$ 179,540
Bank balances of deposits exposed to custodial credit risk:				
Deposits not insured and uncollateralized	\$ -	\$ -	\$ -	\$ -
Deposits not insured and collateralized with securities held by the pledging institution	\$ -	\$ -	\$ -	\$ -
Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name	\$ -	\$ -	\$ -	\$ -

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

<u>Program</u>	<u>Amount</u>
Water Conservation	\$ 179,540

Investments

The Bayou D'Arbonne Lake Watershed District (BTA) does not maintain investment accounts.

D. CAPITAL ASSETS

The capital assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. The District's capital assets at December 31, 2015, consist only of land; therefore, no depreciation expense is recognized in the accompanying financial statements. The District's infrastructure is considered to be immaterial and 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.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

F. COMMITMENT

On May 27, 2015, the District awarded a \$463,560 contract for repairs to the spillway to be funded by a Louisiana Department of Transportation and Development grant. The District has approved two change orders adjusting the contract to \$405,351. The retainage on the contract was paid in February 2016.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 27, 2016, the date on which the financial statements were available to be issued.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Steve Cagle, President	\$ -
Edward Lee, Vice President	-
David Hopkins, Secretary-Treasurer	-
Cary Brown	-
Bruce Hampton	-
Trotter Hunt	-

This schedule is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

See accountant's compilation report.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS
AND OTHER PAYMENTS TO AGENCY HEAD
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Steve Cagle, President

There were no payments to Mr. Cagle.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT (BTA)
STATE OF LOUISIANA**

**COMPARISON FIGURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014	Difference	Percentage Change
Revenues	\$ 525,359	\$ 98,815	\$ 426,544	432%
Expenses	\$ 582,280	\$ 90,895	\$ 491,385	541%
Capital assets	\$ 14,970	\$ 14,970	\$ -	0%
Long-term debt	\$ -	\$ -	\$ -	0%
Fund net position, restated	\$ 204,290	\$ 261,211	\$ (56,921)	-22%

Explanation for change: The variances in revenues and expenses are primarily due to the stage of projects.

See accountant's compilation report.