

REPORT

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Financial Statements
As of and for the Period
Ended June 30, 2009
with Supplemental Information Schedules

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

Release Date 12/16/09

WILLIAM R. DURDEN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

As of and for the Period Ended June 30, 2009
With Supplemental Information Schedule

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WILLIAM R. DURDEN
Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
Washington Parish
Reservoir District
Bogalusa, Louisiana

I have reviewed the accompanying financial statements and supplemental information of the Washington Parish Reservoir District, an entity of the State of Louisiana, as of and for the year ended June 30, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in this financial statement is the *representation of the board of commissioners (management)* of the Washington Parish Reservoir District

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements and supplementary information in order for them to be in conformity with generally accepted accounting principles

The management's discussion and analysis and budgetary comparison information, on pages 2 through 5 and 20 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures, applied in the review of the basic financial statements, but was compiled from information that is the *representation of management, without audit or review*. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Audit Guide* and the provisions of state law, I have issued a report dated November 30, 2009, on the results of my agreed-upon procedures.

William R. Durden

William R. Durden
Certified Public Accountant
Franklinton, Louisiana
November 30, 2009

Management's Discussion and Analysis

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

Introduction

The Washington Parish Reservoir District is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments (hereinafter referred to as GASB 34) and related standards.

The District's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements.

Financial Highlights

Total assets, at June 30, 2009, were \$2,807,955 and exceeded liabilities by \$2,204,613 (i.e., net assets). Net assets consist of the following: \$2,173,441 invested in capital assets, and \$31,172 unrestricted, and available to support short-term operations.

For the year ended June 30, 2009, the Washington Parish Reservoir District's total net assets increased by \$224,298. The increase can be attributed to the receipt of a state grant used to increase capital assets by \$224,662, and a payment of \$6,875 for audit fees. Other operating expenses paid from fund balance totaled \$364.

As of June 30, 2009, the Reservoir District's governmental funds reported combine ending fund balance of \$31,172, a decrease of \$364.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide financial statements The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These financial statements are reported using the full accrual accounting method.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of net assets and the statement of activities display information about the District as a whole.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that has been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements The notes to the financial statements provide required disclosure, essential to the understanding of the financial statements. The notes present information, about the District's accounting policies, significant account balances, and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

Financial Analysis

Statement of Net Assets

Included below is a condensed Statement of Net Assets for the District. The condensed format allows the reader to view the overall financial position of the District for the current year, as compared to the previous year.

Condensed Statement of Net Assets

	June 30, 2008	June 30, 2009	Dollar Change	Percent Change
Current assets	\$ 608,992	\$ 634,514	\$ 25,522	4.19%
Capital assets	1,948,779	2,173,441	\$ 224,662	11.53%
Total Assets	2,557,771	2,807,955	250,184	9.78%
Total Liabilities	577,456	603,342	25,886	4.48%
Net Assets:				
Invested in capital assets, net of related debt	1,948,779	2,173,441	224,662	11.53%
Unrestricted	31,536	31,172	(364)	-1.15%
Total Net Assets	\$ 1,980,315	\$ 2,204,613	224,298	11.33%

See page 9 for a more detailed Statement of Net Assets for the District.

Government-Wide Review of Condensed Statement of Net Assets

The composition of net assets and the change in net assets over time serves as a useful indicator of a government's financial position. Net assets increased \$224,298 for fiscal year ended 6/30/2009. The largest category of net assets is "Invested in capital assets net of related debt" totaling \$2,173,441 or 98.59% of net assets. This category is such a large percentage of net assets because the District's current operation, consist of the study and selection of a reservoir site, which is considered a capital asset.

"Unrestricted Net Assets" are available to meet the ongoing operating needs of the District.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

Condensed Statement of Activities

	June 30, 2008	June 30, 2009	Dollar Change	Percent Change
Revenues:				
State grant	\$ 444,944	\$ 231,537	\$ (213,407)	-47.96%
Donations	-	-	-	0.00%
Total revenues	<u>\$ 444,944</u>	<u>\$ 231,537</u>	<u>\$ (213,407)</u>	<u>-47.96%</u>
Expenditures:				
General government	8,212	7,239	(973)	-11.85%
Change in Net Assets	436,732	224,298	(212,434)	-48.64%
Beginning Net Assets	1,543,583	1,980,315	436,732	28.29%
Prior Year adjustment				
Ending Net Assets	<u>\$ 1,980,315</u>	<u>\$ 2,204,613</u>	<u>\$ 224,298</u>	<u>11.33%</u>

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Activities provides answers to the nature and scope of these changes. The above table gives an indication of how the board of commissioners operates the District on a conservative basis.

The net assets for the fiscal year 2009 increased by 28.29%. Revenues decreased by \$213,407, which is 47.96% less than 2008.

Expenditures decreased in 2009 by \$973, which is a 11.85% decrease over 2008. The major decrease was in accounting fees, which decreased \$725.

Analysis of Fund Financial Statements

Governmental Funds

The focus of the District's governmental funds (general fund and capital projects fund) is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

As of June 30, 2009, the District's governmental funds reported a combined ending fund balance of \$31,172, a decrease of \$364 from the combined fund balance at June 30, 2008. Approximately 97.78% (\$30,481) of this total constitutes unreserved fund balance, which is available for spending at the District's discretion. The remainder of the combined fund balance is reserved for capital project expenditures.

Budgetary Highlight

The District adopted a general fund and capital projects budget, for the period ending June 30, 2009, at the Commissioners meeting on May 28, 2008. The budget was published in the official journal for Washington Parish on July 10, 2008.

Following is a comparison of the capital outlay budget to actual expenditures for the year ended June 30, 2009.

Budget vs. Actual – Period Ended June 30, 2009

	Capital Project Fund			Variance
	Original Budget	Amended Budget	Actual	
REVENUES:				
State government grant	1,498,865	1,825,279	231,537	1,593,742
Total Revenues	<u>1,498,865</u>	<u>1,825,279</u>	<u>231,537</u>	<u>1,593,742</u>
EXPENDITURES:				
Professional fees (accounting)	7,600	7,600	6,875	725
Capital outlay	1,491,265	1,817,679	224,662	1,593,017
Total Expenditures	<u>1,498,865</u>	<u>1,825,279</u>	<u>231,537</u>	<u>1,593,742</u>
EXCESS REVENUES OVER EXPENDITURES				
	-	-	-	-
FUND BALANCE, JULY 1, 2008	691	691	691	-
FUND BALANCE, JUNE 30, 2009	<u>691</u>	<u>691</u>	<u>691</u>	-

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

Following is a comparison of the general fund budget to actual expenditures for the year ended June 30, 2009:

Budget vs. Actual – Period Ended June 30, 2009

	Budget	General Fund Actual	Variance
REVENUES:			
Local government contribution	\$ -	\$ -	\$ -
Donations	-	-	-
Total revenues	-	-	-
EXPENDITURES:			
Public Notices	2,000	258	1,742
Travel and Promotions	5,000	-	5,000
Office Supplies	303	106	197
Contingencies	22,850	-	22,850
Miscellaneous	692	-	692
Total expenditures	30,845	364	30,481
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,845)	(364)	(30,481)
FUND BALANCE, JULY 1, 2008	30,845	30,845	-
FUND BALANCE, JUNE 30, 2009	\$ -	\$ 30,481	\$ -

Capital Assets

At the end of the fiscal year June 30, 2009, the District had \$2,173,441 in cost for the study and site selection of the reservoir. The District's Board of Commissioners has elected to capitalize all engineering and consulting cost associated with the reservoir until its completion. Capital outlays are recorded as expenditures of the Capital Projects Fund and as assets in the government-wide financial statement. There will be no depreciation recorded until the reservoir is completed.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Management's Discussion and Analysis

Future Economic Plans

The Reservoir District's management approach is conservative in nature. The Board of Commissioners actively monitors the progress for the site selection and reviews the engineering and consulting cost of the proposed project, on a monthly basis. As of fiscal year ended June 30, 2009, the District had received capital project appropriations from the State of Louisiana of \$3,025,000 through Priority 1 and 2 lines of credit, as listed below:

Act 23 of 2002-Priority 1	\$ 100,000
Act 24 of 2003-Priority 2	500,000
Direct from the State General Fund	400,000
Act 25 of 2004-Priority 1 and 2	100,000
Act 26 of 2005-Priority 1	125,000
Act 26 of 2005-Priority 2	475,000
Act 27 of 2006 and Act 28 of 2007	1,325,000
	<u>\$ 3,025,000</u>

As of June 30, 2009, total funds obligated (contracts) by the District were \$2,203,433 for engineering and consulting fees, and \$28,408 for accounting fees. The District has paid \$1,600,091 of the contracts and has a remaining balance of \$603,342 to be expended in fiscal year of 2010/2011. Of the total budget (\$3,025,000), \$794,876 is still available to be used for the project. On July 30, 2009 the Environmental Quality Control Agency denied approval for the reservoir project. At the date of this report the District is awaiting approval of the reservoir project by the U. S. Core of Engineers. If approval of the site by the Core of Engineers is not obtained a new site would have to be selected and the District is not sure funding could be obtained for the necessary studies, for an alternative site.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH RESERVOIR COMMISSION
 WASHINGTON PARISH GOVERNMENT
 Bogalusa, Louisiana
 Statement of Net Assets
 June 30, 2009

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 31,172
Receivables	603,342
Capital assets	
Site study and selection	<u>2,173,441</u>
Total Assets	<u>2,807,955</u>
LIABILITIES	
Current liabilities	603,342
Long-term liabilities	<u>-</u>
Total Liabilities	<u>603,342</u>
Net Assets	
Invested in capital assets,	2,173,441
Unrestricted	31,172
Total Net Assets	<u>\$ 2,204,613</u>

See accountant's report and accompanying notes to the financial statements.

STATEMENT B

WASHINGTON PARISH RESERVOIR COMMISSION
WASHINGTON PARISH GOVERNMENT
Bogalusa, Louisiana
STATEMENT OF ACTIVITIES
For the Period Ended June 30, 2009

PROGRAM EXPENDITURES:

Advertisement	\$ -
Accounting	6,875
Public notices	258
Postage	106
Total Program Expenses	<u>7,239</u>

PROGRAM REVENUES:

State grant	231,537
Contribution from local governments	-
Economic development organizations	-
Donations	-
Net Program Revenues	<u>231,537</u>

Change in Net Assets 224,298

Beginning Net Assets, July 1, 2008 1,980,315

Ending Net Assets, June 30, 2009 \$2,204,613

See accountant's report and accompanying notes to financial statements.

STATEMENT C

WASHINGTON PARISH RESERVOIR COMMISSION
 WASHINGTON PARISH GOVERNMENT
 Bogalusa, Louisiana
 Balance Sheet
 Governmental Funds
 June 30, 2009

	General Fund	Capital Project Fund	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 30,481	\$ 691	\$ 31,172
Receivables	-	603,342	603,342
TOTAL ASSETS	<u>\$ 30,481</u>	<u>\$ 604,033</u>	<u>\$ 634,514</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable	\$ -	\$ 571,031	\$ 571,031
Retainage payable	-	32,311	32,311
Total Liabilities	<u>-</u>	<u>603,342</u>	<u>603,342</u>
EQUITY			
Fund balance - unreserved	30,481	691	31,172
Total Equity	<u>30,481</u>	<u>691</u>	<u>31,172</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 30,481</u>	<u>\$ 604,033</u>	<u>\$ 634,514</u>
Reconciliation:			
Total government funds balance	\$ 31,172		
Invested in capital assets	2,173,441		
Net assets of government-wide statements	<u>\$2,204,613</u>		

See accountant's report and accompanying notes to financial statements.

STATEMENT D

WASHINGTON PARISH RESERVOIR COMMISSION
 WASHINGTON PARISH GOVERNMENT
 Bogalusa, Louisiana
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 GOVERNMENTAL FUNDS
 For the Period Ended June 30, 2009

	General	Capital Project	Total
REVENUES:			
State grant	\$ -	\$ 231,537	\$ 231,537
Local government's contributions	-	-	-
Economic development contributions	-	-	-
Donations	-	-	-
Total Revenues	-	231,537	231,537
EXPENDITURES:			
Advertisement	-	-	-
Accounting	-	6,875	6,875
Public notices	258	-	258
Bank fees	-	-	-
Postage	106	-	106
Capital outlay	-	224,662	224,662
Total expenditures	364	231,537	231,901
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(364)	-	(364)
FUND BALANCE, JULY 1, 2008	30,845	691	31,536
FUND BALANCE, JUNE 30, 2009	\$ 30,481	\$ 691	\$ 31,172
Change in fund balance	\$ (364)		
Capital assets purchased	224,662		
Change in net assets	\$ 224,298		

See accountant's report and accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements
For the Period Ended June 30, 2009

Introduction:

The Reservoir District of Washington Parish, was created by Act 71 under the Louisiana Revised Statute 36:509 (S) and Part XXVI of Chapter 13 Of Title 38 of 1950, to be comprised of R. S. 38:3087.191 through 3087.205. The Act 71 established the following:

1. Create the Washington Parish Reservoir District, a political subdivision and a state agency
2. Provide for a board of commissioners to manage the Reservoir District
3. Provide for the powers and duties of the District including the power to levy taxes and issue bonds to prohibit certain actions and to provide penalties
4. Provide relative to the District's relationship with the Department of Transportation and Development and the Louisiana Wildlife and Fisheries Commission
5. Provide for other related matters.

The District is managed by a board of commissioners (no compensation) composed of eleven members appointed by the governor as follows:

1. Three members appointed from a list of names submitted by each member of the legislative delegation representing the parish of Washington
2. Seven members, representing each of the seven parish council districts, appointed from a list of names submitted by each of the seven members of the parish council
3. One member shall be appointed from a list of names submitted by the parish president.

The District was created for the purpose of studying the feasibility of developing a reservoir in Washington Parish and to examine and search for potential sites for such a reservoir. The purpose of the reservoir is to develop the wealth and natural resources of the district by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes.

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Washington Parish Reservoir District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. For the fiscal year ended June 30, 2009, the District prepared its financial statements under the reporting requirements of GASB Statement No. 34, *Basic Financial Statements—Management's Discussion and Analysis- for State and Local Governments*.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2009

A. Reporting Entity

The District is a political subdivision of the state of Louisiana, within the Department of Transportation and Development, and shall perform and exercise its powers, duties, functions, and responsibilities in the manner provided for agencies transferred, in accordance with the provisions of R.S. 36:801.1. Governmental Accounting Standards Board (GASB) Statement No. 14, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District includes all funds for which the District exercises financial accountability. Because the Reservoir District members are appointed by the State of Louisiana and are solely accountable for fiscal matters, which include (1) *budget authority*, (2) *responsibility for funding deficits and operating deficiencies*, and (3) *fiscal management for controlling the collection and disbursement of funds*, the District is a separate governmental reporting entity, primary government. There are no other component units which the Washington Parish Reservoir District has an oversight relationship.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the government activities of the District as a whole. They include all funds of the entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. The Washington Parish Reservoir District had no business-type activities for the year ended June 30, 2009. The statement of net assets list assets beginning with the most current to least current. Any debt would be stated in current and long-term components. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on "Major" funds. Funds statements present in separate columns the General Fund, followed by Major Funds, with Non-Major Funds aggregated and displayed in a separate column. The new model (GASB Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of Major Funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a Major Fund. The District maintains two funds that are categorized as governmental funds and were determined to be major funds, as follows:

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2009

General Fund-The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund-The Capital Projects Fund is used to account for all financial resources used for the acquisition or construction of major capital facilities. The Capital Project Fund is considered a major fund for government-wide reporting purpose.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded, when recognized and expenses are recorded, when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net assets and statement of activities are presented on the accrual basis of accounting. Under this method of accounting, exchange revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, related to compensated absences and claims and judgments, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The District has elected not to follow subsequent private-sector guidance.

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and interest bearing demand deposits with original maturities of 90 days or less. State law and the District's policy allow the District to deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana, and the state sponsored investment pool.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2009

E. Receivables and Payables

Grants and appropriations are recorded as receivables as soon as all eligibility requirements have been met, and the funds and their source identified. Payables are recorded as soon as the liability or contract is either identified or negotiated.

F. Prepaid Items

The District has no prepaid expenses.

G. Capital Assets

Capital outlays are recorded as expenditures of the General or Capital Project Fund and as assets in the government-wide financial statement. Cost of study and evaluation of a reservoir site is the only capital asset in the government-wide financial statement. There is no depreciation recorded at this time.

H. Encumbrances

The District does not use encumbrance accounting.

I. Compensated Absences

The District does not have any paid employees; therefore, it does not have a formal leave policy.

J. Long-Term Obligations

Long-term obligations are reported in the government-wide financial statement.

K. Net Assets and Fund Equity

In the government-wide statements, net assets are reported in three categories: 1) net assets invested in capital assets, net of related debt; 2) restricted net assets; and 3) unrestricted net assets. Net assets invested in capital assets, net of related debt, represents capital assets less accumulated depreciation less outstanding principal of any debt related to the purchase of capital assets. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the District. All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2009

L. Estimates

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, and expenses during the reported period. Actual results could differ from those estimates.

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets is presented in Statement C of the basic financial statements. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities is presented in Statement D of the basic financial statements.

2. Stewardship, Compliance, and Accountability

The District does not have a formal policy for adopting a budget. The General Fund and Capital Outlay budgets for the year ending June 30, 2009, were adopted at the Board of Commissioners' meeting on May 30, 2008. The budgets were published in the legal journal (The Era Leader) on July 10, 2008.

3. Cash and Cash Equivalents

At June 30, 2009, the District had cash and cash equivalents totaling \$31,172.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2009, the District had \$31,172, in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of the federal deposit insurance.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2009

4. Receivables

The receivables consist of \$577,456 due from the State of Louisiana (Department of Transportation and Development) on the balance of obligated grants and contracts for consulting and engineering fees. The balances are presented below for each phase:

	Total Amount Approved	Received From State	Balance Due From State
Engineering Fees:			
Original Contract	\$ 149,220	\$ 149,220	\$ -
Phase II-Original Contract	403,215	366,629	36,586
Supplement 1, Phase 2	225,270	199,642	25,628
Supplement 2	35,000	35,000	-
Supplement 3	6,500	6,500	-
Supplement 4	374,730	227,731	146,999
Supplement 5	271,344	142,215	129,129
Supplement 6	85,000	85,000	-
Supplement 7	275,000	10,000	265,000
			-
Consulting Fees:			
Initial Contract	243,000	243,000	-
Contract (9/27/2006-9/26/2007)	81,000	81,000	-
Contract (9/27/2007-9/26/2008)	81,000	54,154	26,846
Contract terminated 4/30/2008	(26,846)		(26,846)
Total Contract Obligations	<u>\$ 2,203,433</u>		
Total Contract Payments		<u>\$ 1,600,091</u>	
Total amount due from State			<u>\$ 603,342</u>

Effective April 30, 2008 Mike Thompson terminated his contract (9/27/2007-9/27/2008) for administrative services with the District. The District then signed a new supplement agreement (#7) with Denmon Engineering for \$275,000 to cover administrative services from 5/1/2009 to 4/30/2010. The balance (\$26,846) of Mr. Thompson's contract was transferred to the total authorization for Denmon Engineering.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2009

5. Capital Assets

Capital assets activity for the year ended June 30, 2008 is as follows:

	Beginning Balance June 1, 2008	Increase	Decrease	Beginning Balance June 30, 2009
Capital Assets	\$ 1,948,779	\$ 224,662	\$ -	\$ 2,173,441

Capital assets consist of consulting and engineering fees in connection with studies for site selection of the proposed reservoir. As of the date of this report the District is still awaiting approval of the selected site from the U. S. Core of Engineers. If approval of the site is not obtained and another site would have to be selected, the District is not sure sufficient funds would be available for the necessary studies, for the alternative site.

6. Current Liabilities

The District has current liabilities in the Capital Projects Fund of \$603,342 which consists of engineering fees of \$571,130, and retainage due on previously paid engineering invoices of \$32,311.

7. Grant

The Washington Parish Reservoir District has been awarded grants totaling \$3,025,000 from the State of Louisiana, for the purpose of site selection, planning, land acquisition, and construction of the reservoir. Four Hundred Thousand Dollars (\$400,000) of the \$3,025,000 grant was an appropriation directly from the state general fund, with \$2,625,000 coming from a Priority 1 Cash Line of Credit based on Act 28 of the 2007 Louisiana Legislature. Funds received or allocated to date are \$2,231,841. Expenditures incurred for these funds are listed below:

Engineering fees	\$1,825,279
Consulting fees	378,154
Accounting services	28,408

8. Litigation and Claims

As of June 30, 2009, the District was not involved in any outstanding litigations or claims.

9. Related Party Transactions

There were no related party transactions requiring disclosure in the financial statements.

10. Subsequent Events

There were no subsequent events requiring disclosure in the financial statements

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH RESERVOIR COMMISSION
 WASHINGTON PARISH GOVERNMENT
 Bogalusa, Louisiana
 Budgetary Comparison Schedule
 For the Period Ended June 30, 2009

	General Fund			Capital Projects Fund			
	Original Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
REVENUES:							
DOTD Grant	\$ -	\$ -	\$ -	\$ 1,053,921	\$ 1,053,921	\$ 231,537	\$ 822,384
Economic development contributions	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053,921</u>	<u>1,053,921</u>	<u>231,537</u>	<u>822,384</u>
EXPENDITURES:							
Professional fees (capital expenditures)	-	-	-	1,047,046	1,047,046	224,662	822,384
Public notices	2,000	258	1,742	-	-	-	-
Travel and promotions	5,000	-	5,000	-	-	-	-
Contingencies	22,850	-	22,850	-	-	-	-
Office supplies & postage	303	106	197	6,875	6,875	6,875	-
Accounting	-	-	-	-	-	-	-
Miscellaneous	692	-	692	-	-	-	-
Total expenditures	<u>30,845</u>	<u>364</u>	<u>30,481</u>	<u>1,053,921</u>	<u>1,053,921</u>	<u>231,537</u>	<u>822,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,845)</u>	<u>(364)</u>	<u>(30,481)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JULY 1, 2008	<u>30,845</u>	<u>30,845</u>	<u>-</u>	<u>691</u>	<u>691</u>	<u>691</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2009	<u>\$ -</u>	<u>\$ 30,481</u>	<u>\$ (30,481)</u>	<u>\$ 691</u>	<u>\$ 691</u>	<u>\$ 691</u>	<u>\$ -</u>

See accountant's report and accompanying notes to the financial statements.

WASHINGTON PARISH RESERVOIR DISTRICT
Bogalusa, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Period Ended June 30, 2009

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Board members did not receive compensation in any form during the period under this report.

See accountant's report and accompanying notes to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

WILLIAM R. DURDEN
Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Washington Parish Reservoir Commission
Bogalusa, LA

Gentlemen:

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Washington Parish Reservoir District, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the period ended June 30, 2009, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The District had expenditures for engineering fees and consultant fees, which are not subject to the bid laws. These expenditures were made under approved contracts for the consultant and engineer. The District did not have any purchases that exceeded \$15,000 or public works exceeding \$100,000. The District complied with the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list of board members, their immediate family members, and their outside business interests. I scanned cash disbursements journals for any related party transactions, and found none.

3. Obtain from management a listing of all employees paid during the period under examination.

The District does not have any compensated employees or other personnel at this time, thus there were no payroll records to review.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in procedure (2) as immediate family members.

This procedure was not performed due to the fact that there were no employees.

Budgeting

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

The District did adopt a budget for the period ending June 30, 2009.

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

We traced the adoption, of the District's 2008-09 budget (General Fund, and Capital Outlay), to the minutes of the Board of Commissioners' meeting of May 29, 2008.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Budgeted revenues for capital outlay consist of authorized funds of \$3,025,000 of which \$1,971,079 has been spent in previous years. Budget expenditures consist of the unexpended balance of authorized funds or \$1,053,921. Actual expenditures for the year ended June 30, 2009 were \$231,537 leaving an unexpended balance of \$822,384. The operation of District is based on a declining balance of authorized funds, and negative

budget variances will should not occur until the project ends. The actual revenues were not under budgeted amounts by more than 5%. Expenditures did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and

(a) Trace payments to supporting documentation as to proper amount and payee

I examined supporting documentation for all disbursements (27) and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account

The payments I examined were coded to the correct general ledger accounts and proper fund.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting the selected disbursements indicates approval to purchase from the Commission (President and Treasurer), and the State.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the open meetings law).

Notices of meetings are printed in the legal journal for the parish (The Era Leader). Following the meetings the minutes are printed in the legal journal. This should satisfy the open meetings law.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposits for the period under examination and did not note any deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

I scanned cash disbursement records and minutes for evidence of any payments which may constitute bonuses, advances, or gifts to District's members, none were noted. The District does not employ any compensated employees.

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

This report is intended solely for the use of management of the Washington Parish Reservoir District, the Legislative Auditor, and the 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. However, this report is a matter of public record and its distribution is not limited.

William R. Durden

William R. Durden
Certified Public Accountant

November 30, 2009

LOUISIANA ATTESTATION QUESTIONNAIRE

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

JUNE 30, 2009 (Date Transmitted)

WASHINGTON PARISH RESERVIOR DISTRICT

WILLIAM R. DURDEN (Auditors)

In connection with your review of our financial statements as of June 30, 2009 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No []

]

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [X] No []

]

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [X] No []

]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No []

]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Secretary _____ Date

Treasurer _____ Date

Henry L. Peris

President *12/8/09* Date
(CHAIRMAN)