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FOURTH WARD DRAINAGE DISTRICT NO. 1
OF ACADIA PARISH

FINANCIAL REPORT

DECEMBER 31, 2003

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 4-14-04

AFFIDAVIT AND REVENUE CERTIFICATION

FOURTH WARD DRAINAGE DISTRICT NO. 1

ENTITY NAME

ACADIA Parish

CROWLEY (City), Louisiana

**ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS (if applicable)**

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24:513(l)(1)(c)(i).

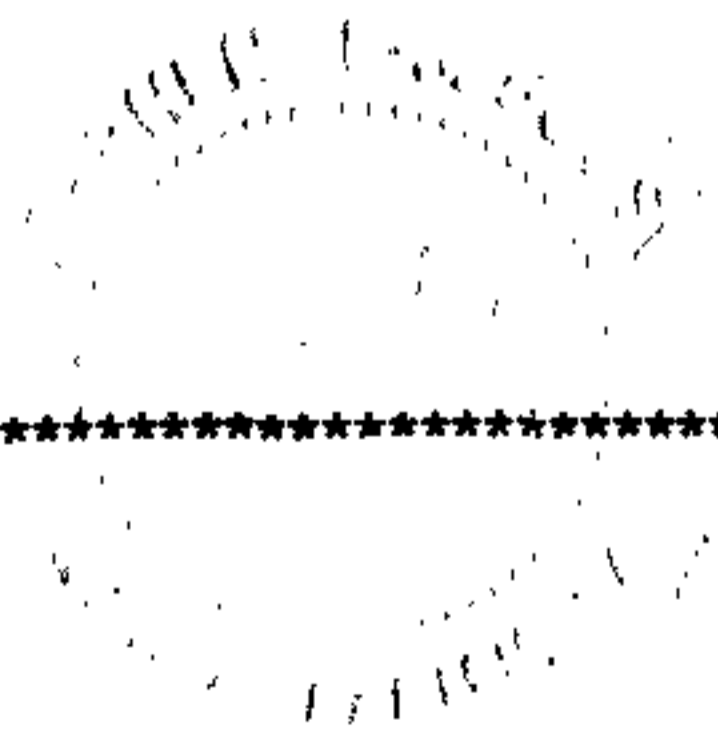
Personally came and appeared before the undersigned authority, Larry E. Lawson (name), who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Fourth Ward Drainage District No. 1 (entity name) as of December 31, 2003, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

(Complete if applicable)

In addition, Larry E. Lawson (name), who, duly sworn, deposes and says that Fourth Ward Drainage District No. 1 (entity name) received \$50,000 or less in revenues and other sources for the year ended December 31, 2003, and accordingly, is not required to have an audit for the previously mentioned year.

Larry E. Lawson
Signature

Sworn to and subscribed before me this 30th day of MARCH, 2004.



Stephen Lambour
NOTARY PUBLIC

Please Complete this Section:

Officer Name Larry E. Lawson
Title Secretary
Address 243 Rue Chene
City, State Zip Crowley, LA 70526
Telephone No. (337) 783-0495

C O N T E N T S

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BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANT'S COMPILATION REPORT

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Board of Commissioners
Fourth Ward Drainage District No. 1
of Acadia Parish
Acadia Parish Police Jury
Crowley, Louisiana

We have compiled the accompanying general purpose financial statements of Fourth Ward Drainage District No. 1 of Acadia Parish, a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2003, and the supplementary schedule, as listed in the table of contents. The statements were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

Crowley, Louisiana
February 14, 2004

Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
George J. Trappey III, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*
Troy J. BreauX, CPA*
Fayette T. Dupre', CPA*
Mary A. Castille, CPA*
Joey L. BreauX, CPA*
Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poche', CPA 1984
James H. BreauX, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999
Ralph Friend, CPA 2002

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

* A Professional Accounting Corporation.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

COMBINED BALANCE SHEET -
 ALL FUND TYPES
 December 31, 2003
 See Accountant's Compilation Report

ASSETS	Governmental Funds		Total (Memorandum Only)
	General Fund	Capital Projects Fund	
Cash	\$ 95,254	\$ -	\$ 95,254
Certificates of deposit		169,832	169,832
Receivables	30,883	-	30,883
Total assets	<u>\$126,137</u>	<u>\$169,832</u>	<u>\$295,969</u>
LIABILITIES			
Deductions from ad valorem taxes	\$ 930	\$ -	\$ 930
Payroll taxes	505	-	505
Total liabilities	\$ 1,435	\$ -	\$ 1,435
FUND EQUITY			
Fund balance:			
Unreserved - undesignated	124,702	169,832	294,534
Total liabilities and fund equity	<u>\$126,137</u>	<u>\$169,832</u>	<u>\$295,969</u>

See Notes to Financial Statements.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2003
See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Ad valorem taxes	\$ 27,617	\$ -	\$ 27,617
Intergovernmental:			
State revenue sharing	3,266	-	3,266
Use of money and property:			
Interest	<u>1,593</u>	<u>5,446</u>	<u>7,039</u>
Total revenues	<u>\$ 32,476</u>	<u>\$ 5,446</u>	<u>\$ 37,922</u>
Expenditures:			
Current:			
Public works:			
Compensation of board members	\$ 9,035	\$ -	\$ 9,035
Operating services	29,048	-	29,048
Uncollected taxes	507	-	507
Pension deduction	930	-	930
Payroll taxes	<u>981</u>	<u>-</u>	<u>981</u>
Total expenditures	<u>\$ 40,501</u>	<u>\$ -</u>	<u>\$ 40,501</u>
Excess of revenues over expenditures	<u>\$ (8,025)</u>	<u>\$ 5,446</u>	<u>\$ (2,579)</u>
Other financing sources (uses):			
Operating transfers in	\$ 5,446	\$ -	\$ 5,446
Operating transfers out	-	(5,446)	(5,446)
Total other financing sources (uses)	<u>\$ 5,446</u>	<u>\$ (5,446)</u>	<u>\$ -</u>
Excess of revenues and other sources over expenditures and other uses	\$ (2,579)	\$ -	\$ (2,579)
Fund balance, beginning	<u>127,281</u>	<u>169,832</u>	<u>297,113</u>
Fund balance, ending	<u>\$124,702</u>	<u>\$169,832</u>	<u>\$294,534</u>

See Notes to Financial Statements.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUNDYear Ended December 31, 2003
See Accountant's Compilation Report

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes	\$ 28,000	\$ 27,617	\$ (383)
Intergovernmental:			
State revenue sharing	5,100	3,266	(1,834)
Interest earnings	<u>1,970</u>	<u>1,593</u>	<u>(377)</u>
Total revenues	<u>\$ 35,070</u>	<u>\$ 32,476</u>	<u>\$ (2,594)</u>
Expenditures:			
Current:			
Public works:			
Compensation paid to board members	\$ 3,900	\$ 9,035	\$ (5,135)
Operating services	25,500	29,048	(3,548)
Uncollected taxes	700	507	193
Pension deduction	900	930	(30)
Payroll taxes	<u>700</u>	<u>981</u>	<u>(281)</u>
Total expenditures	<u>\$ 31,700</u>	<u>\$ 40,501</u>	<u>\$ (8,801)</u>
Excess of revenues over expenditures	<u>\$ 3,370</u>	<u>\$ (8,025)</u>	<u>\$ (11,395)</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ 5,446	\$ 5,446
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 5,446</u>	<u>\$ 5,446</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ 3,370</u>	<u>\$ (2,579)</u>	<u>\$ (5,949)</u>
Fund balance, beginning	<u>127,281</u>	<u>127,281</u>	<u>-</u>
Fund balance, ending	<u>\$130,651</u>	<u>\$124,702</u>	<u>\$ (5,949)</u>

See Notes to Financial Statements.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Fourth Ward Drainage District No. 1 of Acadia Parish was created by the Acadia Parish Police Jury as authorized by Louisiana Revised Statutes 38:1602-1614. The District is governed by a board of five commissioners who are appointed by the Acadia Parish Police Jury. These members are authorized to open and maintain all natural drains in the district, where drainage is accomplished using the natural force of gravity. This may be accomplished by cutting and opening new drains, ditches, and canals. The District has no full-time employees and does not own any fixed assets. Drainage work in the district is performed by contractors. The District comprises the fourth ward of Acadia Parish, which covers 35 square miles and has a population of approximately 400.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. All GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

Reporting entity:

In conformance with GASB Codification Section 2100, the Drainage District is a component unit of the Acadia Parish Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

Fund accounting:

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid in financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the servicing of general long-term debt. Governmental funds include:

1. General fund - the general operating fund of the District and accounts for all financial resources except those required to be accounted for in other funds.
2. Capital projects fund - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Basis of accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The District's accounts are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues:

Ad valorem taxes and the state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budget practices:

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then legally enacted through passage of an ordinance.
3. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. All budget appropriations lapse at year-end.

Cash and cash equivalents:

Cash includes amounts in interest-bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Total columns on statements:

The total columns on the statements are captioned "Memorandum Only (overview)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 2. Receivables

The following is a summary of receivables in the general fund at December 31, 2003:

<u>Class of Receivable</u>	<u>Amount</u>
Ad valorem taxes	\$ 27,617
State revenue sharing	3,266
Total	<u>\$ 30,883</u>

Note 3. Levied Taxes

The following is a summary of the authorized and levied ad valorem taxes for the year ended December 31, 2003:

	<u>Millages</u>	
	<u>Authorized</u>	<u>Levied</u>
General maintenance	6.32	6.32

Note 4. Cash and Cash Equivalents

At December 31, 2003, the District had cash and cash equivalents (book balances) totaling \$265,086 as follows:

Demand accounts	\$ 95,254
Certificates of deposit	169,832
Total	<u>\$265,086</u>

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 held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the District has \$265,948 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and by pledged securities held by the custodial bank in the name of the fiscal agent bank with a market value of \$205,560 (GASB Category 3).

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

Year Ended December 31, 2003

See Accountant's Compilation Report

Name

Newton Leger	\$ 1,200
Clark Gray	1,200
Dennis Leonards	1,200
Jerrl Thompson	4,235
Gerard Zaunbrecher	1,200
Total	<u>\$ 9,035</u>

The schedules of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

The board members receive \$100 per diem while attending regular or special meetings of the board in accordance with Louisiana Revised Statute 38:1794(B).

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Year Ended December 31, 2003

See Accountant's Compilation Report

Section I. Internal Control and Compliance Material to the Financial Statements2003-1 Budget Violations

Finding: For the year ended December 31, 2003, actual expenditures exceeded budgeted expenditures by 28% and actual revenues failed to meet budgeted amounts by 8%. Louisiana Revised Statutes (LSA-R.S.) 39:1310 requires that a budget be amended if actual expenditures exceed budgeted expenditures by 5% or more.

Cause: Management failed to adequately monitor the budgets of these funds and amend them accordingly to be within the 5% limitation to reflect changes in circumstances that resulted in this budget violation.

Recommendation and Response: We recommend, and management agrees, that the budget should be reviewed periodically throughout the fiscal year and amended as situations warrant in order to comply with the Local Government Budget Act.

2003-2 Per Diem Reimbursement

Finding: A commissioner was compensated for time spent while performing duties of the District over and above the attendance of scheduled meetings.

Cause: Amounts paid were approved monthly by the Board of Commissioners to compensate the board member for duties performed as field supervisor. The Drainage District previously employed a field supervisor who recently retired. Rather than hiring another person, the Board compensated one commissioner for taking over those responsibilities. The Board was under the impression that the commissioner could receive per diem for each day he was attending to the business of the District.

Recommendation and response: We recommend that the commissioners be compensated only for each day such member is in actual attendance upon the regular or special meetings of the Board in accordance with R.S. 38:1794.

Questioned cost: \$ 3,035

Section II. Internal Control and Compliance Material to Federal Awards

The District did not receive any federal awards for the year ended December 31, 2003.

Section III. Management Letter

The District did not receive a management letter for the year ended December 31, 2003.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN
Year Ended December 31, 2003

Section I. Internal Control and Compliance Material to the Financial Statements

2003-1 Budget Compliance

Management agrees to monitor the budget more closely and present amendments to the Board for their approval as deemed necessary.

2003-2 Per Diem Reimbursement

Management agrees to only compensate commissioners for each day such member is in actual attendance upon the regular or special meetings of the Board.

Section II. Internal Control and Compliance Material to Federal Awards

The District did not receive any federal awards for the year ended December 31, 2003.

Section III. Management Letter

The District did not receive a management letter for the year December 31, 2003.

Responsible Party: Gerard J. Zaunbrecher, President