

367

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUN 29 AM 9:45

OFFICIAL  
FILE COPY

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
OF VERMILION PARISH

FINANCIAL REPORT

DECEMBER 31, 1999

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

Release Date 8-30-00

C O N T E N T S

	Page
INDEPENDENT ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS	
Combined balance sheet - all fund types and account groups	2 and 3
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types 1999	4
Notes to financial statements	5-9
SUPPLEMENTARY INFORMATION	
Schedule of per diem paid Board of Commissioners	11
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES	12-15
Louisiana Attestation Questionnaire	16 and 17
Schedule of prior audit findings	18



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

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (337) 783-0650  
fax: (337) 783-7238

## INDEPENDENT ACCOUNTANT'S REPORT

### Other Offices:

Lafayette, LA  
(337) 988-4930

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

Eunice, LA  
(337) 457-0071

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
J. 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\*

### Retired:

Sidney L. Broussard, CPA 1980  
Leon E. Poche', CPA 1984  
James B. Breaux, CPA 1987  
Erna R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Ceraldine J. Wimberly, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish  
Abbeville, Louisiana

We have compiled the accompanying general purpose financial statements of the Consolidated Gravity Drainage District No. 2-A of Vermilion Parish, a component unit of the Vermilion Parish Police Jury, as of and for the year ended December 31, 1999 and the supplementary schedule, as listed in the table of contents. These financial statements and supplementary schedule, which is presented only for supplementary analysis purposes, 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 supplementary schedules. We have not audited or reviewed the accompanying general purpose financial statements and the supplementary schedule and, accordingly, we do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 23, 2000, on the results of our agreed-upon procedures.

*Broussard, Poche, Lewis & Breaux LLP*

Crowley, Louisiana  
June 23, 2000

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1999  
See Accountant's Compilation Report

ASSETS	Governmental Fund Types		
	General Fund	Debt Service Fund	Capital Projects Fund
Cash	\$ 18,524	\$ 48,450	\$ 83,531
Investments, at cost	-	133,940	-
Receivables	113,918	54,419	-
Equipment	-	-	-
Amount available in debt service funds	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets	\$ 132,442	\$ 236,809	\$ 83,531
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 2,450	\$ -	\$ -
Deduction from ad valorem taxes	3,546	1,760	-
Bonds payable	-	-	-
Other payable	126	-	-
Total liabilities	\$ 6,122	\$ 1,760	\$ -
FUND EQUITY			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balances:			
Reserved for debt service	\$ -	\$ 235,049	\$ -
Unreserved - undesignated	126,320	-	83,531
Total fund balances	\$ 126,320	\$ 235,049	\$ 83,531
Total liabilities and fund equity	\$ 132,442	\$ 236,809	\$ 83,531

See Notes to Financial Statements.

<u>Account Groups</u>		
<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
\$ -	\$ -	\$ 150,505
-	-	133,940
-	-	168,337
432,826	-	432,826
-	235,049	235,049
-	<u>235,951</u>	<u>235,951</u>
<u>\$ 432,826</u>	<u>\$ 471,000</u>	<u>\$1,356,608</u>
\$ -	\$ -	\$ 2,450
-	-	5,306
-	471,000	471,000
-	-	<u>126</u>
<u>\$ -</u>	<u>\$ 471,000</u>	<u>\$ 478,882</u>
<u>\$ 432,826</u>	<u>\$ -</u>	<u>\$ 432,826</u>
\$ -	\$ -	\$ 235,049
-	-	<u>209,851</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,900</u>
<u>\$ 432,826</u>	<u>\$ 471,000</u>	<u>\$1,356,608</u>

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 1999  
See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes:				
Ad valorem taxes	\$118,494	\$ 58,806	\$ -	\$177,300
Intergovernmental:				
State revenue sharing	7,862	-	-	7,862
Other	<u>1,837</u>	<u>7,942</u>	<u>1,699</u>	<u>11,478</u>
Total revenues	<u>\$128,193</u>	<u>\$ 66,748</u>	<u>\$ 1,699</u>	<u>\$196,640</u>
Expenditures:				
Current:				
Public works:				
Salaries and related benefits	\$ 72,358	\$ -	\$ -	\$ 72,358
Compensation paid to board of commissioners	3,240	-	-	3,240
Accounting and legal	1,300	-	-	1,300
Insurance	26,939	-	-	26,939
Office	625	-	-	625
Materials and supplies	6,863	-	-	6,863
Repairs	13,190	-	7,976	21,166
Drainage maintenance	6,825	-	500	7,325
Fuel and oil	8,032	-	-	8,032
Pension	3,546	1,760	-	5,306
Uncollected taxes	1,539	777	-	2,316
Miscellaneous	2,161	-	400	2,561
Debt service:				
Principal retirements	-	29,000	-	29,000
Interest and fiscal charges	<u>-</u>	<u>33,068</u>	<u>-</u>	<u>33,068</u>
Total expenditures	<u>\$146,618</u>	<u>\$ 64,605</u>	<u>\$ 8,876</u>	<u>\$220,099</u>
Excess (deficiency) of revenues over expenditures	\$(18,425)	\$ 2,143	\$ (7,177)	\$(23,459)
Fund balances, beginning	<u>144,745</u>	<u>232,906</u>	<u>90,708</u>	<u>468,359</u>
Fund balances, ending	<u>\$126,320</u>	<u>\$235,049</u>	<u>\$ 83,531</u>	<u>\$444,900</u>

See Notes to Financial Statements.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

As provided by Louisiana Revised Statute 38:1758, the Drainage District is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the parish police jury. The Drainage District was created under the authority of Louisiana Revised Statute 38:1751-1802 and was established for the purpose of draining and reclaiming the undrained or partially undrained marsh, swamp, and overflowed lands in the district that must be levied and pumped in order to be drained and reclaimed.

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. The accompanying financial statements have been prepared in accordance with such principles.

A. Reporting Entity:

In conformance with GASB Codification Section 2100, the Drainage District is a component unit of the Vermilion 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.

B. Fund accounting:

The Drainage District uses funds to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid 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.

General Fund:

The general fund is classified as a governmental fund. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies. The General Fund is the general operating fund of the District and accounts for all financial resources except those required to be accounted for in other funds.

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Debt Service Fund:

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

Capital Projects Fund:

The capital projects fund is used to account for financial resources to be used for acquisition or construction of major capital projects.

C. General Fixed Assets and General Long-Term Obligations:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

D. 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 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 by 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 except for principal and interest on general long-term debt which is recognized when due.



NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

E. Budget Practices:

Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. The Consolidated Gravity Drainage District No. 2-A of Vermilion Parish was created May 12, 1966 and, accordingly, is exempt from budgetary requirements. Management has determined that, due to the amount and nature of the expenditures, the adoption of a budget is not required for control purposes. The Drainage District did not adopt a budget for the year ended December 31, 1999; therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budget.

F. Cash and Investments

For reporting purposes, cash and investments include cash, demand deposits, and certificates of deposit. Under state law, the Consolidated Gravity Drainage District No. 2-A of Vermilion Parish may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1999, the District has cash (book balances) totaling \$284,445 which is all in interest-bearing demand deposits or certificates of deposit. 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. At December 31, 1999, the District has \$288,079 in deposits (collective bank balances). These deposits are fully secured from risk by federal deposit insurance (GASB Category 1) and \$429,836 of pledged securities (GASB Category 3).

G. Pensions

Employees of the Drainage District are covered under the Federal Insurance Contribution Act (social security). The employees and the District contribute equally to the system. Pension expenditures as shown with revenues and expenditures is the amount deducted from ad valorem taxes for sheriff and assessor plans, as provided by state law.

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

H. Vacation and Sick Leave

Full-time employees of the District with more than one year of service are allowed two weeks of vacation leave each year; full-time employees with one year's service or less are allowed one week of vacation leave each year. Sick leave is granted on an individual basis as the need occurs. Vacation and sick leave may not be accumulated and carried into future years.

I. Total Columns On Financial Statements

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. The data in these columns does 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.

Note 2. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Equipment</u>
Balance, December 31, 1998	\$432,826
Additions - 1999	-
Reductions -1999	-
	-
Balance, December 31, 1999	<u>\$432,826</u>

Note 3. Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 1999:

	<u>Bonded Debt</u>
Long-term obligations payable at January 1, 1999	\$500,000
Additions	-
Reductions	-
	29,000
Long-term obligations payable at December 31, 1999	<u>\$471,000</u>

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Bonds of the Drainage District are comprised of the following individual issues:

Original issue of \$105,000 General Obligation Bonds dated November 1, 1981, retired in various annual installments, interest rate 9.50%, final maturity April 1, 2001	\$ 21,000
Original issue of \$210,000 General Obligation Bonds dated December 1, 1986, retired in various annual installments, interest rate 7.0% to 11.0%, final maturity December 1, 2006	125,000
Original issue of \$340,000 Public Improvement Bonds dated May 3, 1997, retired in various annual installments, at various interest rates, final maturity April 1, 2017.	<u>325,000</u>
Total Bonds	<u>\$471,000</u>

The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 1999, including interest of \$221,246, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 35,000	\$ 28,435	\$ 63,435
2001	36,000	25,435	61,435
2002	25,000	22,925	47,925
2003	30,000	20,825	50,825
2004	35,000	18,777	53,777
2005-2017	<u>310,000</u>	<u>104,849</u>	<u>414,849</u>
Total	<u>\$471,000</u>	<u>\$221,246</u>	<u>\$692,246</u>

Note 4. Receivables

The following is a summary of receivables at December 31, 1999:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Ad valorem tax	\$108,742	\$ 53,966
Revenue sharing	5,176	-
Other	-	453
	<u>\$113,918</u>	<u>\$ 54,419</u>

SUPPLEMENTARY INFORMATION

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID BOARD OF COMMISSIONERS  
Year Ended December 31, 1999  
See Accountant's Compilation Report

<u>Name</u>	
Thomas Laland	\$ 660
William Henry	840
Roderic Mark Hebert	960
Theodore Charles Girouard	<u>780</u>
Total	<u>\$ 3,240</u>

The schedule 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 \$60 per diem for attendance at meetings of the board. Vernis Leger, President, received a salary of \$6,000 in 1999 which is included in the financial statements with salary and related benefits.



**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (337) 783-0650  
fax: (337) 783-7238

*Other Offices:*

Lafayette, LA  
(337) 988-4930

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

Eunice, LA  
(337) 457-0071

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemone 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. Bertello, 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\*

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erna R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1993  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants  
\* A Professional Accounting Corporation.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish  
Abbeville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Consolidated Gravity Drainage District No. 2-A of Vermilion Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Consolidated Gravity Drainage District No. 2-A of Vermilion Parish compliance with certain laws and regulations during the year ended December 31, 1999 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, 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.

**Public Bid Law**

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

There were not any expenditures made during the period for materials and supplies exceeding \$15,000. Nor were there any expenditures made during the period for public works exceeding \$100,000.

**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.

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish

Management provided us with the required list of board members including the noted information.

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

Management provided us with the required list.

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 agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

**Budgeting**

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

Consolidated Gravity Drainage District No. 2-A of Vermilion Parish is not required to comply with the Budget Act because the District was created before December 31, 1974.

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

Consolidated Gravity Drainage District No. 2-A of Vermilion Parish is not required to comply with the Budget Act because the District was created before December 31, 1974.

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%.

Consolidated Gravity Drainage District No. 2-A of Vermilion Parish is not required to comply with the Budget Act because the District was created before December 31, 1974.

**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;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish

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

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of the minutes of the Board meetings indicated that each of the six selected disbursements was approved by the Board.

***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 through 42:12 (the open meetings law).

Consolidated Gravity Drainage District No. 2-A of Vermilion Parish is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

***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.

We scanned copies of bank deposit slips 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.

A reading of the minutes of the District for the year did not reveal any such payments. We also inspected payroll records for the year and did not note any instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

***Prior Comments and Recommendations***

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

Our prior year report, dated April 29, 1999, included comments and unresolved matters addressed in the Summary Schedule of Prior Audit Findings.



The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish

We were 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, 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.

This report is intended solely for the use of management of Consolidated Gravity Drainage District No. 2-A of Vermilion Parish 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. However, this report is a matter of public record and its distribution is not limited.

*Broussard, Pochi, Lewis & Breaux LLP*

Crowley, Louisiana  
June 23, 2000

Consolidated Granty Drainage Dist. #2 A  
Hemlock Parish, La.  
P.O. Box 189  
Abbeville, La. 70510

LOUISIANA ATTESTATION QUESTIONNAIRE

June 27, 2000

BRUNSSIERE, POCHÉ, LEWIS & BÉRAUX  
P.O. Box 307  
Central, La. 70527

in connection with your compilation of our financial statements as of [date] 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 regulation 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  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-RB 42:1101-1124.

Yes  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-RB 42:1110.

Yes  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  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 44:38.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:483, and/or 39:92, as applicable.

Yes  No

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

Yes  No

**Meetings**

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

Yes  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 39:1410.60-1410.63.

Yes  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  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.

*James H. Huber* Secretary 4-24-12 Date

*[Signature]* Treasurer \_\_\_\_\_ Date

*James J. Lopez* President 6-27-12 Date

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A OF VERMILION PARISH

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 1999

I. Internal Control and Compliance Material to the Financial Statements

98-1 Segregation of Duties

Finding: In reviewing the internal control structure, we noted inadequate segregation of duties exists.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Current status: An inadequate segregation of duties still exists. The Board has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

II. Internal Control and Compliance Material to Federal Awards

The prior year's report did not disclose any findings relative to federal awards.

III. Management Letter

Suggestion 1998-1. Board Member Compensation

Condition: According to Internal Revenue Code § 31.3401(c)-1, "...officers... whether elected or appointed..." are included in the definition of employee. Therefore, any board member is considered an employee of the District for tax purposes and the compensation paid to them is subject to social security (if not a member of a retirement system), Medicare (if the board member were appointed or re-appointed after March 31, 1986), and federal and state income tax withholding in 1997 and 1998.

Cause: Compensation paid to board members is reported to them at year-end using Form 1099. No taxes are withheld from these amounts or paid by the District on these amounts.

Effect: The District is not withholding taxes from the board's compensation payments or remitting tax payments as required by the Internal Revenue Service.

Recommendation: We recommend that payments to the Board be subject to taxes and withholdings as are employee payments. Each board member should be required to complete a Form W-4 annually.

Current status: The District's management asserts that compensation paid to board members is now being handled correctly.