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CAMERON PARISH GRAVITY  
DRAINAGE DISTRICT No. 9  
ANNUAL FINANCIAL REPORT  
December 31, 1999

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 08-10-00

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# ELLIOTT & ASSOCIATES, INC.

*A Professional Accounting Corporation*

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W. Micheal Elliott, CPA

## UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cameron Parish Gravity Drainage District No. 9

I have audited the accompanying general-purpose financial statements of the Cameron Parish Gravity Drainage District No. 9 as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Cameron Parish Gravity Drainage District No. 9's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

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

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Parish Gravity Drainage District No. 9 as of and for the year ended December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 3, 2000, on my consideration of the Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Cameron Parish Gravity Drainage District No. 9 taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Cameron Parish Gravity Drainage District No. 9. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana  
August 3, 2000

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

Board of Commissioners  
Cameron Parish Gravity Drainage District No. 9

I have audited the financial statements of the Cameron Parish Gravity Drainage District No. 9 as of and for the year ended December 31, 1999, and have issued my report thereon dated August 3, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Cameron Parish Gravity Drainage District No. 9's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed four instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described as follows:

1999.1 Finding: This audit report is not being issued within the six months of the close of its December 31, 1999 fiscal year-end. This is a violation of LSA R.S. #24:513(A)(5)(a).

Management Response: The Board that was in place during 1999 did not attempt to obtain an audit; however, a substantially new board that took office in early 2000 began the process to hire an auditor to comply with state law.



1999.2 Finding: The Board did not adopt a budget for the year ended December 31, 1999 in accordance with the requirements of LSA R.S. #39:1308.

Management Response: The Board will immediately adopt a year 2000 budget and amend it at the end of 2000, if necessary. The board will also adopt the 2001 budget in accordance with state regulations.

1999.3 Finding: The Board did not invest its excess cash in accordance with state laws and revised statute LSA R.S. #33:2955.

Management Response: Beginning in September 2000, the Board will invest its excess funds in an appropriate investment account to draw additional funds for the District.

1999.4 Finding: The Board did not maintain written minutes of their meetings for the year ended December 31, 1999 as required by LSA R.S. 42:71.1.

Management Response: The Board has begun maintaining and publishing typed minutes in the year 2000.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Cameron Parish Gravity Drainage District No. 9, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana

August 3, 2000

Cameron Parish Gravity Drainage District No. 9  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year ended December 31, 1999

I have audited the financial statements of Cameron Parish Gravity Drainage District No. 9 as of and for the year ended December 31, 1999, and have issued my report thereon dated August 3, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses ( ) Yes (X) No  
Reportable Conditions ( ) Yes (X) No

Compliance

Compliance Material to Financial  
Statements ( ) Yes (X) No

b. Federal Awards

Internal Control

Material Weaknesses ( ) Yes ( ) No (X) N/A  
Reportable Conditions (X) Yes ( ) No ( ) N/A

Type of Opinion On Compliance For Major Programs

Unqualified ( ) Qualified ( )  
Disclaimer ( ) Adverse ( )  
N/A (X)

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

( ) Yes ( ) No (X) N/A



c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

None

None

Dollar threshold used to distinguish between Type A and Type B Programs: \$ N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?  
( ) Yes ( ) No (X) N/A

**Section II Financial Statement Findings**

- 1999.1 Finding: This audit report is not being issued within the six months of the close of its December 31, 1999 fiscal year-end. This is a violation of LSA R.S. #24:513(A)(5)(a).
- 1999.2 Finding: The Board did not adopt a budget for the year ended December 31, 1999 in accordance with the requirements of LSA R.S. #39:1308.
- 1999.3 Finding: The Board did not invest its excess cash in accordance with state laws and revised statute LSA R.S. #33:2955.
- 1999.4 Finding: The Board did not maintain written minutes of their meetings for the year ended December 31, 1999 as required by LSA R.S. 42:71.1.

**Section III Federal Award Findings and Questioned Costs**

N/A

See independent auditor's report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1999

	Governmental <u>Fund Type</u> General <u>Fund</u>	<u>Account Group</u> General Fixed <u>Assets</u>	Totals (Memorandum <u>Only</u> )
<b>ASSETS</b>			
Cash (Note 2)	\$268,664	\$ ---	\$268,664
Receivables:			
Ad valorem tax (Note 3)	93,717	---	93,717
Permit fees	958	---	958
Fixed assets (Note 4)	<u>---</u>	<u>---</u>	<u>---</u>
Total assets	<u>\$363,339</u>	<u>\$ ---</u>	<u>\$363,339</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$ 339	\$ ---	\$ 339
Ad valorem deductions payable	<u>4,199</u>	<u>---</u>	<u>4,199</u>
Total liabilities	<u>4,538</u>	<u>---</u>	<u>4,538</u>
Fund equity:			
Investment in general fixed assets (Note 4)	---	---	---
Fund Balances - Unreserved - undesignated	<u>358,801</u>	<u>---</u>	<u>358,801</u>
Total fund equity	<u>358,801</u>	<u>---</u>	<u>358,801</u>
Total liabilities and fund equity	<u>\$363,339</u>	<u>\$ ---</u>	<u>\$363,339</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1999

Revenues:	
Taxes (Note 3)	\$ 67,979
Intergovernmental	5,571
Miscellaneous	<u>522</u>
Total revenues	<u>74,072</u>
Expenditures:	
Current:	
Insurance	1,686
Deductions from ad valorem tax for retirement systems (Note 3)	<u>2,210</u>
Total expenditures	<u>3,896</u>
Excess (deficiency) of revenues over expenditures	70,176
Fund balances, beginning	<u>288,625</u>
Fund balances, ending	<u>\$ 358,801</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

NOTES TO FINANCIAL STATEMENTS  
December 31, 1999

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Police Jury is a political subdivision of the State of Louisiana. Cameron Parish Police Jury is the reporting entity for Cameron Parish as defined by NCGA Statement 3, (Defining the Governmental Reporting Entity).

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 transaction of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

Cameron Parish Gravity Drainage District No. 9 (the District) is a component unit of Cameron Parish Police Jury as defined by GASB codification Section 2100. The District was created by the Cameron Parish Police Jury as authorized by Louisiana Revised Statute 38:1751. The District is governed by a board of five commissioners appointed by Cameron Parish Police Jury and is authorized to construct, maintain and improve the system of drainage within the District.

A. FUND ACCOUNTING

The accounts of the Cameron Parish Gravity Drainage District No. 9 are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

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.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

B. CASH AND CASH EQUIVALENTS

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits with maturities of three months or less. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana, or United States bonds, treasury bills and notes, or certificates.

C. ACCOUNTS RECEIVABLE WRITE-OFF METHOD

The District has adopted a write off policy wherein any account that is deemed uncollectible is written off directly when the account's collection efforts have been deemed unsuccessful.

D. FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair market value on the date donated.

The fixed asset account group is not a "fund". It is concerned only with the measurement of financial position not with measurement of results of operations.



CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

E. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses 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 records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices.

Revenues

Ad valorem taxes and the related State Revenue Sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed.

Federal and State grants are recorded when the district is entitled to the funds.

Interest income on investments is recorded when the investments have matured and the income is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

F. BUDGETARY PRACTICES

The Cameron Parish Gravity Drainage District No. 9 did not adopt a budget for the year ended December 31, 1999 and this fact has been noted as a compliance exception.



CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

G. INVESTMENTS

Investments are stated at cost. These investments are time deposits which are fully secured through the pledge of bank-owned securities or federal deposit insurance.

H. VACATION AND SICK LEAVE

The District does not have any full time employees; therefore, the District does not have a policy on vacation and sick leave.

I. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position 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--CASH AND INVESTMENT COLLATERAL

At December 31, 1999, the District had cash and investments as follows:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Cash (demand deposits) and certificate of deposit	<u>\$268,664</u>	<u>\$ ---</u>	<u>\$268,664</u>

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2--CASH AND INVESTMENT COLLATERAL (Continued)

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) were \$268,664, and the bank balances were \$268,664. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$100,000
Uncollateralized (In accordance with GAAP - See below)	<u>168,664</u>
	<u>\$268,664</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 at least equal the amount on deposit with the fiscal agent.

The uncollateralized amount shown above is secured by pledged securities with a market value of \$170,841 held in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3--RECEIVABLES

Receivables at December 31, 1999 consist of ad valorem taxes receivable. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Cameron Parish Sheriff bills and collects property taxes using the assessed values determined by the tax assessor of Cameron Parish.

For the year ended December 31, 1999 taxes of 4.36 mils were levied on property with assessed valuation totaling \$16,047,716 and were dedicated entirely for the specified purpose of the District.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3--RECEIVABLES (Continued)

Total taxes collected and other adjustments for the year ended December 31, 1999 resulted in total ad valorem revenue of \$67,979.

NOTE 4 -- CHANGES IN GENERAL FIXED ASSETS

At December 31, 1999 the District did not have any general fixed assets. The District has not acquired property nor made any capital expenditures since its inception.

NOTE 5 -- PENSION PLAN

The District does not participate in any pension plans or the social security program.

NOTE 6 -- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	<u>LIMITS OF COVERAGE</u>
Auto liability	NONE
Commercial general liability	\$2,000,000
District-owned buildings and equipment	NONE

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District is not involved in any type litigation nor does it have any asserted claims against it.

SUPPLEMENTARY INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9

COMPENSATION OF BOARD MEMBERS

For the year ended December 31, 1999

The Board of Commissioners of the Cameron Parish Gravity Drainage District No. 9 served without compensation for the year ended December 31, 1999.

See independent auditor's report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 1999

**SECTION I            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

This is the first year that the District has had an  
audit report.

**SECTION II          INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

This is the first year that the District has had an  
audit report.

**SECTION III        MANAGEMENT LETTER**

This is the first year that the District has had an  
audit report.

See independent auditor's report.



CAMERON PARISH GRAVITY DRAINAGE DISTRICT No. 9  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended December 31, 1999

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT**

- 1999.1 The Board will have its December 31, 2000 audit completed by June 30, 2001.
- 1999.2 The Board will immediately adopt a budget for the year ended December 31, 2000 and revise it accordingly. Also, the Board will adopt a 2001 budget in December 2000.
- 1999.3 The Board will immediately invest its excess cash in accordance with state laws.
- 1999.4 The Board has already started maintaining and publishing minutes in 2000 and will continue to do so in the future.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

N/A

**SECTION III MANAGEMENT LETTER**

N/A

See independent auditor's report.