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GRAVITY DRAINAGE DISTRICT NO. ONE
OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 JUN 26 1996

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JOHN S. DOWLING & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Gravity Drainage District No. One of
Ward Two of St. Landry Parish
Sunset, Louisiana

We have audited the accompanying financial statements of the Gravity Drainage District No. One of Ward Two of St. Landry Parish, a component unit of the St. Landry Parish Police Jury, as of and for the year ended December 31, 1995. These component unit financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Gravity Drainage District No. One of Ward Two of St. Landry Parish, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 2, 1996 on our consideration of the Gravity Drainage District No. One of Ward Two's internal control structure and a report dated May 2, 1996 on its compliance with laws and regulations.

John Dowling & Co

Opelousas, Louisiana
May 2, 1996

GRAVITY DRAINAGE DISTRICT NO ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1995

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		TOTALS		
	GENERAL	DEBT SERVICE	GENERAL FIXED ASSETS	LONG-TERM DEBT	(MEMORANDUM ONLY)	1995	1994
ASSETS							
Cash	\$68,039	\$12,862				\$80,901	\$47,344
Investments	215,000					215,000	215,000
Property taxes receivable (net)	62,560					62,560	59,052
Revenue sharing receivable	6,765					6,765	6,847
Drainage improvements			\$751,714			751,714	751,714
Amount available in Debt Service Fund	1,189			\$7,000		7,000	8,000
Accrued interest receivable						1,189	1,189
Total assets	353,553	12,862	751,714	7,000		1,125,129	1,089,146
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Bonds payable				\$7,000		\$7,000	\$8,000
Total liabilities				7,000		7,000	8,000
FUND EQUITY							
Investment in general fixed assets			\$751,714			751,714	751,714
Fund balance							
Reserved for debt service		\$7,000				7,000	8,000
Unreserved, undesignated	\$353,553	5,862				359,415	321,432
Total fund balance	353,553	12,862	751,714	-0-		1,118,129	1,081,146
Total liabilities and fund equity	353,553	12,862	751,714	7,000		1,125,129	1,089,146

The accompanying notes are an integral part of this statement.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>(MEMORANDUM ONLY)</u>	
			<u>1995</u>	<u>1994</u>
<u>REVENUES</u>				
Taxes				
Property taxes	\$63,895		\$63,895	\$57,774
Intergovernmental				
State revenue sharing	20,458		20,458	20,360
Interest				
On property taxes	114		114	152
On investments	<u>11,432</u>	<u>\$240</u>	<u>11,672</u>	<u>9,943</u>
<u>Total revenues</u>	<u>95,899</u>	<u>240</u>	<u>96,139</u>	<u>88,229</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative				
Accounting	3,763		3,763	3,745
Office expense	250		250	167
Per diem	7,200		7,200	7,200
Telephone	31		31	31
Bank charges	91	60	151	127
Bond insurance	270		270	
Drainage				
Maintenance	45,316		45,316	49,516
Soil conservation fees	500		500	500
Capital outlay				
Engineering fees				463
Debt service				
Bonds paid		1,000	1,000	1,000
Interest paid		<u>675</u>	<u>675</u>	<u>765</u>
<u>Total expenditures</u>	<u>57,421</u>	<u>1,735</u>	<u>59,156</u>	<u>63,514</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	38,478	(1,495)	36,983	24,715
<u>FUND BALANCE</u> , beginning of year	<u>315,075</u>	<u>14,357</u>	<u>329,432</u>	<u>304,717</u>
<u>FUND BALANCE</u> , end of year	<u>353,553</u>	<u>12,862</u>	<u>366,415</u>	<u>329,432</u>

The accompanying notes are an integral part of this statement.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>1995</u>		<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>1994</u> <u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>REVENUES</u>				
Taxes				
Property taxes	\$64,000	\$63,895	\$(105)	\$57,774
Intergovernmental				
State revenue sharing	21,000	20,458	(542)	20,360
Interest				
On property taxes	100	114	14	152
On investments	<u>11,000</u>	<u>11,432</u>	<u>432</u>	<u>9,673</u>
<u>Total revenues</u>	<u>96,100</u>	<u>95,899</u>	<u>(201)</u>	<u>87,959</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative				
Accounting	3,800	3,763	37	3,745
Office expense	250	250		167
Per diem	7,200	7,200		7,200
Telephone	30	31	(1)	31
Bank charges	90	91	(1)	77
Bond insurance	270	270		
Drainage				
Maintenance	45,300	45,316	(16)	49,516
Soil conservation fees	500	500		500
Capital outlay				
Engineering fees				463
<u>Total expenditures</u>	<u>57,440</u>	<u>57,421</u>	<u>19</u>	<u>61,699</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>38,660</u>	38,478	<u>(182)</u>	26,260
<u>FUND BALANCE</u> , beginning of year		<u>315,075</u>		<u>288,815</u>
<u>FUND BALANCE</u> , end of year		<u>353,553</u>		<u>315,075</u>

The accompanying notes are an integral part of this statement.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Gravity Drainage District No. One of Ward Two of St. Landry Parish 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 standards-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the five commissioners of Gravity Drainage District No. One of Ward Two, and thus has the ability to impose its will on the Drainage District, the District was determined to be a component unit of the St. Landry Parish Police Jury, the financial reporting entity. 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, or the other governmental units that comprise the financial reporting entity.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its 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. On the other hand, an account group is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include the following:

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. Debt Service Fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the General Long-Term Debt Account Group.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is utilized by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. BASIS OF ACCOUNTING - Continued

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

E. BUDGETS

The District legally adopted a budget for the General Fund for the year ended December 31, 1995.

F. ENCUMBRANCES

The District does not employ the encumbrance system of accounting.

G. INVESTMENTS IN CASH

Investments are stated at cost or amortized cost, which approximates market.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

H. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Public domain (infrastructure) general fixed assets consisting of drainage systems are capitalized in the General Fixed Assets Account Group. Interest costs during construction are not capitalized.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. FIXED ASSETS AND LONG-TERM DEBT - Continued

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

I. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements 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 operations, 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 aggregate of this data.

J. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying component unit financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

2. CASH AND INVESTMENTS

At December 31, 1995, the bank balances of cash in interest-bearing checking accounts and certificates of deposit were \$102,133, and \$215,000, respectively. The cash and investments are fully secured by federal deposit insurance and/or by collateral pledged by the banks in the District's name.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

3. AD VALOREM TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The District was required to remit 3.0653% in 1995 of the total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of pension fund distributions. A breakdown of tax receivable is as follows:

	<u>Total Per Tax Roll</u>	<u>Pension Fund Requirements</u>	<u>Net Tax</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Tax Receivable</u>
1995	\$67,057	\$2,055	\$65,002	\$2,442	\$62,560

An estimated allowance for uncollectible property tax has been set up based on prior years' experience.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Beginning Balance</u>	<u>Additions (Deductions)</u>	<u>Ending Balance</u>
Drainage improvements	\$751,714		\$751,714

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

5. LONG-TERM DEBT

General Obligation Bonds. The District issued \$350,000 of 9% general obligation bonds dated May 1, 1982, for general government activities. Of the general obligation bonds, \$7,000 are currently outstanding. Annual debt service requirements to maturity for the general obligation bonds are as follows:

December 31,	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
1996	\$585	\$1,000	\$1,585
1997	495	1,000	1,495
1998	405	1,000	1,405
1999	315	1,000	1,315
2000	225	1,000	1,225
2001 - 2002	<u>180</u>	<u>2,000</u>	<u>2,180</u>
	<u>2,205</u>	<u>7,000</u>	<u>9,205</u>

Changes in Long-Term Liabilities. During the year ended December 31, 1995, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance December 31</u>
General obligation	\$8,000		\$1,000	\$7,000

6. FUND BALANCE

The General and Debt Service Funds do not have a deficit fund balance for the year ended December 31, 1995.

7. PER DIEM

A schedule of per diem paid to the board members is presented below:

<u>Governing Board Members</u>	<u>Per Diem</u>
Antoine Bajat, Jr.	\$1,440
Jake Benoit	1,440
Samuel P. Henry	1,440
A. F. "Pete" Olivier	1,440
Dale Richard	<u>1,440</u>
	<u>7,200</u>



JOHN S. DOWLING & COMPANY
 CERTIFIED PUBLIC ACCOUNTANTS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
 Gravity Drainage District No. One of
 Ward Two of St. Landry Parish
 Sunset, Louisiana

We have audited the component unit financial statements of Gravity Drainage District No. One of Ward Two of St. Landry Parish, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of the Gravity Drainage District No. One of Ward Two of St. Landry Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the component unit financial statements of Gravity Drainage District No. One of Ward Two of St. Landry Parish for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

P.O. Box 433 Interstate-49 South Opelousas, Louisiana 70571-0433 Telephone 318-948-4848 Telefax 318-948-6109

• Harold Dupre, CPA • Joel Lanclos, Jr., CPA • Dwight Ledoux, CPA • Russell J. Stelly, CPA • John Newton Stout, CPA •
 • Chizal S. Fontenot, CPA • James L. Nicholson, Jr., CPA • G. Kenneth Pavy, II, CPA •

To the Board of Commissioners
Gravity Drainage District No. One of
Ward Two of St. Landry Parish
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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Gravity Drainage District No. One of Ward Two of St. Landry Parish, its Board of Commissioners and the appropriate regulatory body. However this report is a matter of public record and its distribution is not limited.

John A. Downing + Co

Opelousas, Louisiana
May 2, 1996



JOHN S. DOWLING & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Gravity Drainage District No. One of
Ward Two of St. Landry Parish
Sunset, Louisiana

We have audited the component unit financial statements of Gravity Drainage District No. One of Ward Two of St. Landry Parish, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Gravity Drainage District No. One of Ward Two of St. Landry Parish is the responsibility of the Drainage District's management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the Drainage District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Gravity Drainage District No. One of Ward Two of St. Landry Parish, its Board of Commissioners, and the appropriate regulatory agency. However, this report is a matter of public record and its distribution is not limited.

John Dowling & Co

Opelousas, Louisiana
May 2, 1996