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FIFTH WARD CONSOLIDATED GRAVITY
DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH
FINANCIAL REPORT
DECEMBER 31, 1995

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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 AUG 28 1996

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INDEPENDENT AUDITOR'S REPORT

The Honorable Randy Thibodeaux
and the Board of Commissioners
of the Fifth Ward Consolidated
Gravity Drainage District No. 1
Crowley, Louisiana

We have audited the general purpose financial statements of the Fifth Ward Consolidated Gravity Drainage District No. 1, a component unit of the Acadia Parish Police Jury, as of December 31, 1995 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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The Honorable Randy Thibodeaux
and the Board of Commissioners
of the Fifth Ward Consolidated
Gravity Drainage District No. 1

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Fifth Ward Consolidated Gravity Drainage District No. 1 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 June 24, 1996 on our consideration of the District's internal control structure and a report dated June 24, 1996 on its compliance with laws and regulations.

BROUSSARD, POCHÉ, LEWIS & BREUX

Crowley, Louisiana
June 24, 1996

FIFTH WARD CONSOLIDATED GRAVITY DRAINAGE
DISTRICT NO. 1 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1995

	<u>Governmental Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
ASSETS AND OTHER DEBITS	<u>General Fund</u>		
Cash	\$ 6,969	\$ -	\$ 6,969
Certificate of deposit, at cost	-	-	-
Receivables:			
Ad valorem taxes	60,064	-	60,064
State revenue sharing	4,840	-	4,840
Land and equipment	<u>-</u>	<u>11,695</u>	<u>11,695</u>
Total assets and other debits	<u>\$ 71,873</u>	<u>\$ 11,695</u>	<u>\$ 83,568</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 2,243	\$ -	\$ 2,243
Note payable	7,500	-	7,500
Loans payable	3,657	-	3,657
Payroll deductions and withholdings payable	<u>40</u>	<u>-</u>	<u>40</u>
Total liabilities	<u>\$ 13,440</u>	<u>\$ -</u>	<u>\$ 13,440</u>
Fund equity:			
Investment in general fixed assets	\$ -	\$ 11,695	\$ 11,695
Fund balance:			
Unreserved - undesignated	<u>58,433</u>	<u>-</u>	<u>58,433</u>
Total fund equity	<u>\$ 58,433</u>	<u>\$ 11,695</u>	<u>\$ 70,128</u>
Total liabilities and fund equity	<u>\$ 71,873</u>	<u>\$ 11,695</u>	<u>\$ 83,568</u>

See Notes to Financial Statements.

FIFTH WARD CONSOLIDATED GRAVITY DRAINAGE
DISTRICT NO. 1 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
GENERAL FUND
Year Ended December 31, 1995

Revenues:	
Taxes:	
Ad valorem	\$ 64,577
Intergovernmental revenue:	
State revenue sharing	7,262
Interest	<u>772</u>
Total revenues	<u>\$ 72,611</u>
Expenditures:	
Current:	
Public works:	
Salaries and related benefits	\$ 28,818
Insurance	2,010
Fuel	3,094
Accounting and legal	5,900
Pension	2,243
Repairs and maintenance	10,173
Uncollected taxes	707
Other	626
Debt service:	
Principal	17,573
Interest	<u>6,790</u>
Total expenditures	<u>\$ 77,934</u>
Deficiency of revenues over expenditures	\$ (5,323)
Fund balance, beginning	<u>63,756</u>
Fund balance, ending	<u>\$ 58,433</u>

See Notes to Financial Statements.

FIFTH WARD CONSOLIDATED GRAVITY DRAINAGE
DISTRICT NO. 1 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
GENERAL FUND
Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem	\$ 69,000	\$ 64,577	\$ (4,423)
Intergovernmental revenue:			
State revenue sharing	5,000	7,262	2,262
Interest	<u>1,400</u>	<u>772</u>	<u>(628)</u>
Total revenues	<u>\$ 75,400</u>	<u>\$ 72,611</u>	<u>\$ (2,789)</u>
Expenditures:			
Current:			
Public works:			
Salaries and related benefits	\$ 29,000	\$ 28,818	\$ 182
Insurance	3,100	2,010	1,090
Fuel	3,200	3,094	106
Accounting and legal	5,900	5,900	-
Pension	-	2,243	(2,243)
Repairs and maintenance	1,400	10,173	(8,773)
Uncollected taxes	-	707	(707)
Other	-	626	(626)
Debt service:			
Principal	45,000	17,573	27,427
Interest	<u>-</u>	<u>6,790</u>	<u>(6,790)</u>
Total expenditures	<u>\$ 87,600</u>	<u>\$ 77,934</u>	<u>\$ 9,666</u>
Deficiency of revenues over expenditures	\$ (12,200)	\$ (5,323)	\$ 6,877
Fund balance, beginning	<u>63,756</u>	<u>63,756</u>	<u>-</u>
Fund balance, ending	<u>\$ 51,556</u>	<u>\$ 58,433</u>	<u>\$ 6,877</u>

See Notes to Financial Statements.

FIFTH WARD CONSOLIDATED GRAVITY DRAINAGE
DISTRICT NO. 1 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Fifth Ward Consolidated Gravity Drainage District No. 1 of Acadia Parish, a component unit of the Acadia Parish Police Jury, was created by the Acadia Parish Police Jury as authorized by Louisiana Revised Statute 38:1841. The ordinance creating this consolidated drainage district was dated April 10, 1984, and combined three existing drainage districts: (1) Fifth Ward District No. 1 of the Parish of Acadia, (2) Fifth Ward Gravity Drainage District No. 2 of the Parish of Acadia, and (3) Fifth Ward Gravity Drainage District No. 3 of the Parish of Acadia. Fifth Ward Consolidated Gravity Drainage District No. 1 of Acadia Parish is governed by a five-member board of commissioners, appointed by the Police Jury, who are authorized to construct, maintain, and improve the system of gravity drainage within the district.

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.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Police Jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury appoints the governing board and can influence the scope of public service, the drainage district was determined to be a component unit of the Acadia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying general purpose financial statements present information only on the funds maintained by the Drainage District and do not present information on the parish police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

NOTES TO FINANCIAL STATEMENTS

Fund accounting:

The Drainage District is organized on the basis of a governmental fund (general fund) and account group, each of which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The general fund is the general operating fund of the Drainage District and accounts for all of its activities.

General fixed assets and long-term obligations:

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

Long-term obligations are accounted for in the general long-term debt account group, not in the general fund. 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.

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

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. Due to the fact that expenditures do not exceed \$250,000, it is not necessary to have a public hearing.
3. The budget is then legally enacted through passage of an ordinance. Budget amounts shown in this report are as adopted and amended by the District in open meeting.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. All budget appropriations lapse at year-end.

Expenditures may not legally exceed budgeted appropriations at the individual fund level by more than 5%.

Cash and certificates of deposit:

Under state law, the Drainage 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.

Under state law, these deposits (or the resulting bank balances) must be secured by federal insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus federal insurance must at all times equal the amount on deposit with the federal agent. Deposits in financial institutions at December 31, 1995 are fully secured by federal deposit insurance.

NOTES TO FINANCIAL STATEMENTS

Vacation, sick leave, and pension plan:

The Drainage District has one employee who earns 12 days of paid vacation leave annually. The Drainage District has no pension plan or sick leave policy. At December 31, 1995, there are no accumulated vacation benefits that require accrual or disclosure to conform with generally accepted accounting principles.

Total column on balance sheet:

The total column on the balance sheet is captioned Memorandum Only to indicate it is presented only to facilitate financial analysis. The data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General corporate purposes	<u>7.51</u>	<u>7.51</u>

Note 3. Changes in General Fixed Assets

The following is a summary of changes in general fixed assets for the year ending December 31, 1995:

	<u>Land</u>	<u>Equipment</u>	<u>Total</u>
Balance, December 31, 1994	\$ 155	\$176,750	\$176,905
Reductions	<u>-</u>	<u>165,210</u>	<u>165,210</u>
Balance, December 31, 1995	<u>\$ 155</u>	<u>\$ 11,540</u>	<u>\$ 11,695</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Commitments and Contingencies

The Fifth Ward Consolidated Gravity Drainage District No. 1 entered into an intergovernmental agreement with the Sixth Ward and Crowley Drainage District for funding of the Lyons Point Gully Lower Region project. The Sixth Ward and Crowley Drainage District provided 100% of the initial funding for the project. The Fifth Ward Consolidated Gravity Drainage District No. 1 has an obligation to repay 70% of the funds for the project. Originally, these funds were to be provided with revenues derived from 30% of the tax revenue of the Consolidated District. As of December 31, 1990, the project was complete and the total amount paid by Sixth Ward and Crowley Drainage District on behalf of Fifth Ward Consolidated Gravity Drainage District was \$161,003. In 1990, it was agreed by both parties for the Fifth Ward Consolidated Gravity Drainage District No. 1 to repay its debt by leasing its excavator, including the operator and all repair costs, for \$65 per hour. During the year ended December 31, 1995, both parties agreed to change the hourly rate to \$85 per hour. At December 31, 1995 Fifth Ward Consolidated Gravity Drainage District has repaid a total of \$42,545, leaving a balance of \$118,458.

Note 8. Board of Commissioners

The board members elect not to receive any compensation for attendance of meetings. The board members at December 31, 1995 include:

Robert Walton
Randy Keith Thibodeaux
Tommy Carlson

Wayne Wild
John W. Humble, Sr.

Note 9. Rural Development Grant

During the year ended December 31, 1994, the District received a \$30,000 rural development grant for the replacement of bridges. During the year ended December 31, 1994, the District had expended \$18,728 of the grant proceeds for purchases of materials. The remaining balance of \$11,272 was spent in the current fiscal year.

Note 10. Note Payable

On October 17, 1995, the District entered into a promissory note with Bank of Commerce for \$7,500 with a term of ninety days at an interest rate of 6.5%. Subsequent to year-end, the District has extinguished this debt.



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

The Honorable Randy Thibodeaux
and the Board of Commissioners
of the Fifth Ward Consolidated
Gravity Drainage District No. 1
Crowley, Louisiana

We have audited the general purpose financial statements of the Fifth Ward Consolidated Gravity Drainage District No. 1, a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 24, 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 financial statements are free of material misstatement.

The Board of Commissioners of the Fifth Ward Consolidated Gravity Drainage District No. 1 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the Board 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.

The Honorable Randy Thibodeaux
and the Board of Commissioners
of the Fifth Ward Consolidated
Gravity Drainage District No. 1

In planning and performing our audit of the financial statements of the Fifth Ward Consolidated Gravity Drainage District No. 1 for the year ended December 31, 1995, we considered its 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be a material weakness.

General Administration

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

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

Suggestion and response: 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.

The Honorable Randy Thibodeaux
and the Board of Commissioners
of the Fifth Ward Consolidated
Gravity Drainage District No. 1

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROUSSARD, POCHÉ, LEWIS & BREAUX

Crowley, Louisiana
June 24, 1996



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

The Honorable Randy Thibodeaux
and the Board of Commissioners
of the Fifth Ward Consolidated
Gravity Drainage District No. 1
Crowley, Louisiana

We have audited the financial statements of the Fifth Ward Consolidated Gravity Drainage District No. 1, a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 24, 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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Fifth Ward Consolidated Gravity Drainage District No. 1 is the responsibility of the Board of Commissioners. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the 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 did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

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Crowley, Louisiana
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