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ISLE MARRONE GRAVITY DRAINAGE DISTRICT NO. 1
OF VERMILION PARISH

FINANCIAL REPORT

DECEMBER 31, 1996

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 JUL 16 1997

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BROUSSARD, POCHE, LEWIS & BREAU

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Earl Dartez
and the Board of Commissioners
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Rodney L. Savoy, CPA* 1996

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We have audited the financial statements of the Isle Marrone Gravity Drainage District No. 1, a component unit of the Vermilion Parish Police Jury, as of and for the two years ended December 31, 1996, 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 audits 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Isle Marrone Gravity Drainage District No. 1 of Vermilion Parish as of December 31, 1996, and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedule listed in the accompanying table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of the Isle Marrone Gravity Drainage District No. 1. of Vermilion Parish. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

The Honorable Earl Dartez
and the Board of Commissioners
Isle Marrone Gravity Drainage District No. 1

In accordance with Government Auditing Standards, we have also issued a report dated June 19, 1997 on our consideration of the District's internal control structure and a report dated June 19, 1997 on its compliance with laws and regulations.

Broussard, Poché, Lewis & Breaux

Abbeville, Louisiana
June 19, 1997

ISLE MARRONE GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1996

ASSETS AND OTHER DEBITS	Governmental Fund	
	General Fund	Debt Service Fund
Cash	\$ 75,313	\$ 45,015
Investments, at cost	-	62,651
Receivables	118,132	122,228
Equipment	-	-
Amount available in debt service fund	-	-
Amount to be provided for retirement of general long-term debt	-	-
	-	-
Total assets and other debits	<u>\$193,445</u>	<u>\$229,894</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,082	\$ -
Deduction from ad valorem taxes	3,771	3,936
Bonds payable	-	-
	-	-
Total liabilities	<u>\$ 4,853</u>	<u>\$ 3,936</u>
Fund Equity:		
Investment in general fixed assets	\$ -	\$ -
Fund balances:		
Reserved for debt service	\$ -	\$225,958
Unreserved - undesignated	188,592	-
Total fund balance	<u>\$188,592</u>	<u>\$225,958</u>
Total liabilities and fund equity	<u>\$193,445</u>	<u>\$229,894</u>

See Notes to Financial Statements.

<u>Types</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
	<u>Capital Projects Fund</u>	<u>General Fixed Assets</u>	
\$ -	\$ -	\$ -	\$ 120,328
-	-	-	62,651
-	-	-	240,360
-	343,451	-	343,451
-	-	225,958	225,958
-	-	419,042	419,042
<u>\$ -</u>	<u>\$ 343,451</u>	<u>\$ 645,000</u>	<u>\$1,411,790</u>
\$ -	\$ -	\$ -	\$ 1,082
-	-	-	7,707
-	-	645,000	645,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,000</u>	<u>\$ 653,789</u>
<u>\$ -</u>	<u>\$ 343,451</u>	<u>\$ -</u>	<u>\$ 343,451</u>
\$ -	\$ -	\$ -	\$ 225,958
-	-	-	188,592
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,550</u>
<u>\$ -</u>	<u>\$ 343,451</u>	<u>\$ 645,000</u>	<u>\$1,411,790</u>

ISLE MARRONE GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1996

	General Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
Revenues:				
Taxes:				
Ad valorem	\$117,304	\$122,445	\$ -	\$ 239,749
Intergovernmental:				
State revenue sharing	2,453	-	-	2,453
Other	4,478	6,181	-	10,659
Total revenues	<u>\$124,235</u>	<u>\$128,626</u>	<u>\$ -</u>	<u>\$ 252,861</u>
Expenditures:				
Current:				
Public works - drainage:				
Salaries and related benefits	\$ 41,588	\$ -	\$ -	\$ 41,588
Compensation paid to board members	7,200	-	-	7,200
Contract labor	5,200	-	-	5,200
Drainage maintenance	1,600	-	-	1,600
Insurance	8,322	-	-	8,322
Repairs and maintenance	9,216	-	-	9,216
Material and supplies	8,518	-	-	8,518
Office	374	-	-	374
Accounting and legal	500	-	-	500
Uncollected taxes	1,917	2,095	-	4,012
Pension	3,771	3,936	-	7,707
Telephone	382	-	-	382
Miscellaneous	950	-	-	950
Capital outlay	2,851	-	-	2,851
Debt service:				
Principal retirements	-	70,000	158,834	228,834
Interest and fiscal charges	-	58,698	1,550	60,248
Total expenditures	<u>\$ 92,389</u>	<u>\$134,729</u>	<u>\$ 160,384</u>	<u>\$ 387,502</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 31,846</u>	<u>\$ (6,103)</u>	<u>\$ (160,384)</u>	<u>\$ (134,641)</u>
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ 11,693	\$ 11,693
Operating transfers (out)	<u>(11,693)</u>	<u>-</u>	<u>-</u>	<u>(11,693)</u>
Total other financing sources (uses)	<u>\$ (11,693)</u>	<u>\$ -</u>	<u>\$ 11,693</u>	<u>\$ -</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 20,153</u>	<u>\$ (6,103)</u>	<u>\$ (148,691)</u>	<u>\$ (134,641)</u>
Fund balance, beginning	<u>168,439</u>	<u>232,061</u>	<u>148,691</u>	<u>549,191</u>
Fund balance, ending	<u>\$188,592</u>	<u>\$225,958</u>	<u>\$ -</u>	<u>\$ 414,550</u>

See Notes to Financial Statements.

ISLE MARRONE GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes:				
Ad valorem	\$ 111,712	\$ 122,089	\$ -	\$ 233,801
Intergovernmental:				
State revenue sharing	2,347	-	-	2,347
Other	<u>3,811</u>	<u>6,719</u>	-	<u>10,530</u>
Total revenues	<u>\$117,870</u>	<u>\$ 128,808</u>	<u>\$ -</u>	<u>\$ 246,678</u>
Expenditures:				
Current:				
Public works - drainage:				
Salaries and related benefits	\$ 41,514	\$ -	\$ -	\$ 41,514
Compensation paid to board members	7,860	-	-	7,860
Contract labor	2,900	-	-	2,900
Drainage maintenance	470	-	-	470
Insurance	10,962	-	-	10,962
Repairs and maintenance	15,289	-	-	15,289
Material and supplies	7,705	-	-	7,705
Office	3,153	-	-	3,153
Accounting and legal	6,256	-	-	6,256
Pension	3,578	3,911	-	7,489
Uncollected taxes	69	82	-	151
Miscellaneous	1,184	-	-	1,184
Capital outlay	5,080	-	163,546	168,626
Debt service:				
Principal retirements	-	64,000	4,712	68,712
Interest and fiscal charges	<u>-</u>	<u>55,465</u>	<u>1,597</u>	<u>57,062</u>
Total expenditures	<u>\$ 106,020</u>	<u>\$ 123,458</u>	<u>\$ 169,855</u>	<u>\$ 399,333</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 11,850</u>	<u>\$ 5,350</u>	<u>\$(169,855)</u>	<u>\$(152,655)</u>
Other financing sources:				
Proceeds from issuance of bonds	\$ -	\$ -	\$ 155,000	\$ 155,000
Proceeds from capital lease	<u>-</u>	<u>-</u>	<u>163,546</u>	<u>163,546</u>
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,546</u>	<u>\$ 318,546</u>
Excess of revenues and other sources over expenditures	\$ 11,850	\$ 5,350	\$ 148,691	\$ 165,891
Fund balance, beginning	<u>156,589</u>	<u>226,711</u>	<u>-</u>	<u>383,300</u>
Fund balance, ending	<u>\$ 168,439</u>	<u>\$ 232,061</u>	<u>\$ 148,691</u>	<u>\$ 549,191</u>

See Notes to Financial Statements.

ISLE MARRONE GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

As provided by Louisiana Revised Statute 38:1758, the 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 District was created under the authority of Louisiana Revised Statutes 38:1751-1802 and was established for the purpose of draining and reclaiming the undrained or partially drained 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 are 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 District uses two funds (general fund and debt service fund) 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.

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.

NOTES TO FINANCIAL STATEMENTS

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 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 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 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.

E. Budget practices:

Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. The Isle Marrone Gravity Drainage District No. 1 of Vermilion Parish was created November 11, 1911, and, accordingly, is exempt from the 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 District did not adopt a budget for the two years ended December 31, 1996; therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budget.

NOTES TO FINANCIAL STATEMENTS

F. Cash and investments:

For reporting purposes, cash and investments include cash, demand deposits, and certificates of deposit. Under state law, the Isle Marrone Gravity Drainage District No. 1 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, 1996, the District has cash (book balances) totaling \$182,979, which is all in interest-bearing demand deposits. 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, 1996, the District has \$183,888 in deposits (collected bank balances). At December 31, 1996, these deposits are fully secured from risk by federal deposit insurance and \$565,325 market value of Federal National Mortgage Association notes.

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.

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 per year; full-time employees with one year's service or less are allowed one week of vacation leave per year. Sick leave is granted on an individual basis as 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" (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Receivables

The following is a summary of receivables at December 31, 1996:

	General Fund	Debt Service Fund
Ad valorem tax	\$116,497	\$121,602
State revenue sharing	1,635	-
Other	-	626
	\$118,132	\$122,228

NOTES TO FINANCIAL STATEMENTS

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Equipment</u>
Balance, December 31, 1994	\$285,957
Additions	171,477
Deductions	<u>(113,983)</u>
Balance, December 31, 1996	<u>\$343,451</u>

Note 4. Changes in General Long-Term Debt Obligations

The following is a summary of the long-term obligation transactions during the year:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Total</u>
Long-term obligations payable at December 31, 1994	\$ 624,000	\$ -	\$ 624,000
Additions:			
1995 Proceeds from bonds	155,000	-	155,000
1995 Proceeds from capital lease	-	163,546	163,546
Reductions:			
1995 Principal payments	(64,000)	(4,712)	(68,712)
1996 Principal payments	<u>(70,000)</u>	<u>(158,834)</u>	<u>(228,834)</u>
Long-term obligations payable at December 31, 1996	<u>\$ 645,000</u>	<u>\$ -</u>	<u>\$ 645,000</u>

General obligation bonds are comprised of the following individual issues:

Original issue of \$400,000 General Obligation Bonds dated November 1, 1981, retired in various annual installments, interest rate 9.0%, final maturity April 1, 2001	\$ 185,000
Original issue of \$360,000 General Obligation Bonds dated May 1, 1985, retired in various annual installments, interest rate 9.50% to 11.50%, final maturity March 1, 2005	230,000
Original issue of \$145,000 General Obligation Bonds dated May 1, 1989, retired in various annual installments, interest rate 7.40% to 11.00%, final maturity March 1, 2009	75,000

NOTES TO FINANCIAL STATEMENTS

Original issue of \$155,000 General Obligation Bonds dated October 1, 1995, retired in various annual installments, interest rate 4.85% to 6.00%, final maturity March 1, 2015 155,000

Total General Obligation Bonds \$645,000

The annual requirements to amortize all bonds outstanding at December 31, 1996, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$ 70,000	\$ 51,050	\$ 121,050
1998	75,000	44,669	119,669
1999	75,000	37,961	112,961
2000	80,000	30,950	110,950
2001	90,000	23,234	113,234
2002-2015	<u>255,000</u>	<u>90,961</u>	<u>345,961</u>
Total	<u>\$ 645,000</u>	<u>\$ 278,825</u>	<u>\$ 923,825</u>

During 1995, the District purchased an excavator under a five year capital lease at a cost of \$163,546. However, in February of 1996, the capital lease was paid out with proceeds from the issuance of bonds.

SUPPLEMENTARY INFORMATION

ISLE MARRONE GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Years Ended December 31, 1996 and 1995

<u>Name</u>	<u>1996</u>	<u>1995</u>
Douglas J. Frederick	\$ -	\$ 1,080
Earl Dartez	3,600	3,600
John O. Abshire	900	1,020
Revis R. Gaspard	900	1,080
Paul Suire	900	1,080
Lovelace Leonard	900	-
Total	<u>\$ 7,200</u>	<u>\$ 7,860</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.



BROUSSARD, POCHE', LEWIS & BREAU

CERTIFIED PUBLIC ACCOUNTANTS

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

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The Honorable Earl Dartez
and the Board of Commissioners
Isle Marrone Gravity Drainage District No. 1
Abbeville, Louisiana

We have audited the general purpose financial statements of the Isle Marrone Gravity Drainage District No. 1 of Vermilion Parish, a component unit of the Vermilion Parish Police Jury, as of and for the two years ended December 31, 1996, and have issued our report thereon dated June 19, 1997.

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 general purpose financial statements are free of material misstatement.

The Board of Commissioners of the Isle Marrone 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 general purpose 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 general purpose financial statements of the Isle Marrone Gravity Drainage District No. 1 for the two years ended December 31, 1996, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not provide such an opinion.

The Honorable Earl Dartez
and the Board of Commissioners
Isle Marrone Gravity Drainage District No. 1

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal 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 general purpose 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 matter involving the internal control structure and its operation that we consider to be a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the District for the two years ended December 31, 1996.

General Administration

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.

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.

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

Abbeville, Louisiana
June 19, 1997



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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

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The Honorable Earl Dartez
and the Board of Commissioners
Isle Marrone Gravity Drainage District No. 1
Abbeville, Louisiana

We have audited the financial statements of the Isle Marrone Gravity Drainage District No. 1 of Vermilion Parish, as of and for the two years ended December 31, 1996, and have issued our report thereon dated June 19, 1997.

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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Isle Marrone Gravity Drainage District No. 1 is the responsibility of the District's management. 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 general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not provide such an opinion.

The results of our tests did not disclose any instances that are required to be reported under Government Auditing Standards.

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, Poche, Lewis & Breaux

Abbeville, Louisiana
June 19, 1997