

**WASNET DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
BY CHARLES PARISH COUNCIL  
Terre de, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1988**

According to the district's counsel, this suit appears to be a stretch in regards to liability and/or responsibility as a cause in fact. Unless demonstrated to the contrary by the plaintiff, the district's counsel believes there is no liability on the part of the Wasnet Drainage District of St. Charles Parish.

QUEST TRAILHEAD DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended December 31, 1994

2. organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
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 parish council appoints the organizations governing body and because there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council, the district was determined to be a component unit of the St. Charles Parish Council, 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 parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

#### G. 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 related to certain governmental 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 designed 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.

The only fund of the district 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 acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental fund of the district includes:

General Fund - the general operating fund of the District that accounts for all financial resources, except those required to be accounted for in other funds.

This fund is reported as a special revenue fund in the general purpose financial statements of the St. Charles Parish Council.

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and process, where applicable, compliance matters that would be material to the presented financial statements.

## SUPPLEMENTAL INFORMATION

### SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. R.S. 18:1007 authorizes each commissioner to receive compensation of not more than sixty-five dollars per day including all actual expenses, while attending to the business of the district.

**SUSSET DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Barradin, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1996**

**NOTE 11. COMPENSATED ABSENCES**

At December 31, 1996, employees of the District have accumulated and vested \$3,268 of employee leave benefits, computed in accordance with GRSB codification Section C60. This amount is recorded in the general long-term obligations account group.

**NOTE 12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

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

	Compensated Absences
Long-term obligations payable at January 1, 1996	\$6,288
Prior period adjustment for Direct and Incremental Salary-Related Payments at December 31, 1995	435
	-----
Long-term obligations payable at January 1, 1996 restated	\$6,823
Additions	577
Deductions	-0-
	-----
Long-term obligations payable at December 31, 1996	\$7,260
	-----

**NOTE 13. LITIGATION AND CLAIMS**

At December 31, 1996 the Susset Drainage District is involved in litigation. The original Petition in Suit for Personal Injury, survival action, and for Wrongful Death, for recoverable damages, was filed on February 9, 1990 and is captioned "BETTY BURENE AND OLIVER DUPRENE, JR. versus DEPARTMENT OF WILDLIFE AND FISHERIES, AND THE STATE OF LOUISIANA, AND THE PARISH OF ST. CHARLES, AND HATHORN, INC.". Said proceeding is filed in the Twenty-Ninth Judicial District Court in and for the Parish of St. Charles, State of Louisiana, Civil Action #40,795, Division "E". Susset Drainage District of St. Charles Parish was made a defendant in these proceedings in the Third Amending Petition filed in 1996. On motion of Plaintiff's counsel, there is a hearing on Summary Judgment set for June 12, 1997. The district's counsel, District Attorney Harry J. Morel, Jr., is vigorously contesting the liability of Susset Drainage District in regards to this matter and has evaluated preliminarily the likelihood of an unfavorable outcome not to exceed twenty percent (20%) comparative negligence.

**Fiscal Agency and Cash Management Laws**

LSA-RS 39 (2114) requires security for deposits equal to one hundred percent of the amount of collected funds on deposit in the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States. At December 31, 1976, the district has \$139,848 in deposits (collected bank balances) at First American Bank. These deposits are secured from risk by \$108,800 of federal deposit insurance. The remaining balance of \$19,848 is not secured by the pledge of securities. The district's secretary/treasurer called the bank and requested enough security to secure the highest expected future deposits.

This report is intended for the information of the Board and those governments for which reporting is required. However, this report is a matter of public record and its distribution is not limited.



May 23, 1987

**SUBURB DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1998**

**NOTE 4. CASH AND CASH EQUIVALENTS**

At December 31, 1998, the Board has cash and cash equivalents (book balance) totaling \$ 126,892, as follows:

Interest-bearing demand deposits	\$ 118,541	
Money market	9,351	
	<u>          </u>	
<b>Total</b>	<b>\$ 126,892</b>	<u>          </u>

These deposits are stated as cash, which approximates market. Under state law, these deposits (book 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. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the district has \$118,088 in deposits (collected bank balances) at First American Bank. These deposits are secured from risk by \$118,000 of federal deposit insurance. The remaining balance of \$19,840 is not secured by the pledge of securities and is a violation of state law. At December 31, 1998, the district has \$8,151 in deposits (collected balances) at Herquin Investments. These deposits are secured from risk by \$8,151 of insurance by the Securities Investor Protection Corporation (SIPC Category 1).

**NOTE 5. INVESTMENTS**

At December 31, 1998, the district has investments totaling \$133,565, as follows:

	Carrying Value	Market Value
	<u>          </u>	<u>          </u>
United States Treasury Notes	\$133,565	\$133,988
	<u>          </u>	<u>          </u>

These investments are stated on the balance sheet at amortized cost. Investments are limited by state law and the district's investment policy. The investments are in the name of the Subur Drainage District and are held in the deolers safekeeping account. Because the investments are in the district's name but are not held by the district, they are considered to be SIPC Category 7 in applying the credit risk of SIPC codification section 202.10c.

SUMMIT PARISH DISTRICT  
 OF ST. CHARLES PARISH  
 ST. CHARLES PARISH COUNCIL  
 Paradise, Louisiana

Schedule 1

Schedule Compensation Paid Board Members  
 For the Year Ended December 31, 1998

MEMBER	PER DIEM	NO. OF DAYS	TOTAL PER DIEM
Eric Matherns	\$ 45	13	\$ 780
Troy Kasey	65	10	650
Richard DeFreese	65	7	455
Curtis Matherns	65	10	650
Eugene Cunningham	65	12	780
			-----
Total			\$ 3,315



**TIMOTHY S. KEARNS**  
 MASTER OF BUSINESS ADMINISTRATION  
 CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
 STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE OR  
 BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
 WITH GOVERNMENT AUDITING STANDARDS**

**BOARD OF COMMISSIONERS  
 SUNSET DRAINAGE DISTRICT  
 OF ST. CHARLES PARISH  
 ST. CHARLES PARISH COUNCIL,  
 Parish, Louisiana**

We have audited the general purpose financial statements of the Sunset Drainage District of St. Charles Parish, a component unit of the St. Charles Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 23, 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 component unit financial statements are free of material misstatement.

The management of the Sunset Drainage District of St. Charles 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 cost 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 recorded 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 and 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 Sunset Drainage District of St. Charles Parish as of and for the year 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 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

**SUBURB PARISH DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Terre de Dieu, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1998**

revenues by five per cent or more and/or actual expenditures exceed budgeted expenditures by five per cent or more, a budget amendment to reflect such change is usually adopted by the District. However, the current year expenditures exceed the amended budgeted expenditures by more than five percent. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The district did not budget beginning or ending fund balance for the calendar year ended December 31, 1998.

**F. Encumbrances**

The District does not use encumbrance accounting.

**G. Cash and cash equivalents, and investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, and time deposits. Investments include amounts in obligations of the United States of America. Under state law, the 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, the board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**H. Inventories**

Physical inventories consist of expendible supplies held for consumption. Excess inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

**I. Fixed assets**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public Domain or infrastructures are not capitalized. Interest cost incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs or estimated cost if historical cost is not available.

**J. Compensated absences**

The District has the following policy relating to vacation and sick leave:

**SUNSET DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1994**

**NOTE 6. RECEIVABLES**

The following is a summary of receivables at December 31, 1994:

Class of Receivable	General Fund
All valorem taxes	\$ 43,017
Total	\$ 43,017

**NOTE 7. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, 1994	Additions	Retirements	Balance December 31, 1994
Equipment	\$ 488,528	\$ 67,637	\$ -0-	\$ 556,165
Buildings	14,101	-0-	-0-	14,101
Real Estate & Improvements	1,538,568	-0-	-0-	1,538,568
Total	\$1,551,196	\$ 67,637	\$ -0-	\$1,618,813

**NOTE 8. PENSION PLAN**

All employees of the Sunset Drainage District contribute to the Department of the Treasury, Division of Social Security. Contributions to the system are made by both the employees and the District as a percentage of salaries. For the year ended December 31, 1994, the District contributed \$6,168 (3.65% of salaries) to the system as its share of the contributions. Other than the annual contributions required by the system and recorded as expenditures annually, Sunset Drainage District does not guarantee any of the benefits granted by the retirement system.

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS**

The District provides no other postretirement benefits.

**NOTE 10. LEASES**

The District had no capital leases to be recorded as assets and obligations in the accompanying financial statements.

**SUSSEY DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1996**

**INTRODUCTION**

The Sussey Drainage District of St. Charles Parish was established May 26, 1934. It is comprised of a board of control consisting of five members appointed by the St. Charles Parish Council. Sussey Drainage District funds are dedicated to operating and maintaining drainage facilities within the district boundaries. Financing is provided primarily by maintenance taxes, mineral royalties, and interest on investments. For the year ended December 31, 1996 financing was also provided by a grant from the St. Charles Parish Council. At year end the board employed three employees.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of presentation**

The accompanying general purpose financial statements of the Sussey Drainage District 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 standard-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. Charles Parish Council is the financial reporting entity for St. Charles Parish. The financial reporting entity consists of (a) the primary government (parish council), (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. Charles Parish Council 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 parish council 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 parish council.

**SUNSHY HEALTHCARE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND**

Statement 2

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (2024 Basis) and Actual  
For the Year Ended December 31, 2024

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes:			
Maintenance taxes	\$ 43,043	\$ 51,665	\$ 8,624
Other:			
Oil & gas royalties	67,285	67,285	0
Interest	11,885	7,814	(3,971)
Other	734	626	(108)
Grants:			
St. Charles Parish Council	150,000	150,000	0
Total revenues	<u>312,787</u>	<u>317,310</u>	<u>4,523</u>
<b>EXPENDITURES</b>			
Current:			
Advertising	336	488	(152)
Contract labor	0	17,444	(17,444)
Equip. rental & maintenance	0	330	(330)
Equipment repairs	19,488	19,885	(3,407)
Fuel	18,484	16,837	(1,647)
Insurance	26,476	27,268	(792)
Maintenance tax expenditures	6,384	8,884	(2,500)
Material & supplies	6,789	6,650	139
Miscellaneous	1,896	0	1,896
Office supplies	804	333	471
Per diem	3,318	3,318	0
Professional services	10,825	4,375	6,450
Salaries	101,946	83,302	18,644
Secretary/Treasurer	3,165	3,600	(435)
Taxes - payroll	0	4,388	(4,388)
Telephone	435	833	3
Utilities	2,301	2,301	0
Capital outlay:			
Purchases of equipment	92,334	92,627	(293)
Total expenditures	<u>347,788</u>	<u>328,378</u>	<u>128,508</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>65,017</b>	<b>88,932</b>	<b>\$ 23,915</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>None</b>	<b>242,504</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ None</b>	<b>\$ 331,436</b>	

The accompanying notes are an integral part of this statement.

**SUBJECT MATRIMONY DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Parade, Louisiana  
ALL FUND TYPES & ACCOUNT GROUPS**

Statement A

Balance Sheet  
December 31, 1994

	GOVERNMENTAL FUND		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	GENERAL LONG-TERM OBLIGATIONS	
<b>ASSETS AND OTHER DEBITS</b>					
<b>Assets</b>					
Cash	\$ 126,692				\$ 126,692
Investments	215,565				215,565
Receivables:					
Maintenance taxes	43,817				43,817
Equipment		\$ 468,182			468,182
Buildings		14,583			14,583
Fuel, utility & improvements		1,138,560			1,138,560
<b>Other Debits</b>					
Amount to be provided for retirement of long-term obligations			\$ 7,268		7,268
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$ 388,378</u>	<u>\$1,629,813</u>	<u>\$ 7,268</u>		<u>\$1,999,341</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
<b>Liabilities</b>					
Accounts payable	\$ 19,296				\$ 19,296
Payroll taxes payable	420				420
Compensated absence payable			\$ 6,744		6,744
Direct and incremental salary related payments			528		528
<b>Total liabilities</b>	<u>19,716</u>		<u>7,268</u>		<u>26,984</u>
<b>Equity and other credits</b>					
Investment in general fixed assets		\$1,629,813			1,629,813
Fund balances:					
Unreserved-undesignated	265,558				265,558
<b>Total equity and other credits</b>	<u>265,558</u>	<u>1,629,813</u>	<u>0</u>		<u>1,895,371</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u>\$ 285,274</u>	<u>\$1,629,813</u>	<u>\$ 7,268</u>		<u>\$1,922,355</u>

The accompanying notes are an integral part of this statement.

**TIMOTHY S. KEARNS**  
—————  
MASTERS OF BUSINESS ADMINISTRATION  
**CERTIFIED PUBLIC ACCOUNTANT**

**INDEPENDENT AUDITOR'S REPORT**

**BOARD OF COMMISSIONERS  
SUNSET DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL,  
Fondre, Louisiana**

We have audited the accompanying general purpose financial statements of the Sunset Drainage District of St. Charles Parish, a component unit of the St. Charles Parish Council, as of and for the year ended December 31, 1996, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Sunset Drainage District of St. Charles Parish. 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. These 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.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Sunset Drainage District of St. Charles Parish as of December 31, 1996, and the results of operations for the year 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 accompanying supplemental information schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Sunset Drainage District of St. Charles Parish. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Governmental Auditing Standards, we have also issued a report dated May 23, 1997 on our consideration of the Sunset Drainage District's internal control and a report dated May 23, 1997 on its compliance with laws and regulations.



May 23, 1997

LA PROFESSIONAL ASSOCIATION  
100 CALOULOUSSA, MONROE, LA 70001  
(504) 235-8887 FAX (504) 235-8888  
WWW.PAASLA.COM

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SUNSET BEACHES DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana

General Purpose Financial Statements and  
Independent Auditor's Report  
As of and for the Year Ended December 31, 1996  
With Supplemental Information Schedule

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ST. CHARLES PARISH  
ST. CHARLES, LA 70356

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***SUNSET DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Ponchartraine, Louisiana***

*General Purpose Financial Statements and  
Independent Auditor's Report  
As of and for the Year Ended December 31, 1986  
With Supplemental Information Schedule*

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 4/18/13/000

**TIMOTHY S. KEARNS**  
Member of the Institute of Certified Public Accountants  
**CERTIFIED PUBLIC ACCOUNTANT**  
24 Professional Building  
505 Poydras Street, Suite 1100  
New Orleans, Louisiana 70112

SEWER DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1994

Employees of the District earn from 15 to 18 days of vacation leave each year, depending on their length of service. Unused vacation leave may not be accumulated. Employees earn 4 days of sick leave each year, depending on their length of service. Sick leave may be accumulated to a maximum of 30 days. Upon retirement or death, unused accumulated sick leave is paid to the employee or to the employee's estate at the employee's current rate of pay.

In accordance with GASB Statement No. 16, the cost of sick leave is accrued only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

**K. Long-term obligations**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due.

**L. Fund equity**

Reserves - Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

Designated fund balance - Designated fund balances represent tentative plans for future use of financial resources.

**M. Total columns on statement**

The total columns on the 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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE 2. LEVIED TAXES**

Maintenance taxes attach as enforceable liens on property as of January 1 of each year. Taxes are levied by the Parish of St. Charles in November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

The Sewer Drainage District of St. Charles Parish is authorized under L.S.A. R.S. 38:1674.14 to levy an annual sewage tax in an

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 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 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 matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Sunset Drainage District of St. Charles Parish for the year ended December 31, 1996.

As a material weakness (and reportable condition), the size of the Sunset Drainage District's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

This report is intended for the information of the district's Board and those governments for which reporting is required. However, this report is a matter of public record, and its distribution is not limited.



May 23, 1997

**TIMOTHY S. KEARNS**  
 MEMBER OF SENIOR ADMINISTRATION  
**CERTIFIED PUBLIC ACCOUNTANT**

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE BASED ON AN AUDIT OF  
 GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PERFORMED IN  
 ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

**BOARD OF COMMISSIONERS  
 SUNSET DRAINAGE DISTRICT  
 OF ST. CHARLES PARISH  
 ST. CHARLES PARISH COUNCIL,  
 Frenchie, Louisiana**

We have audited the general purpose financial statements of the Sunset Drainage District of St. Charles Parish, a component unit of the St. Charles Parish Council, as of and for the year ended December 31, 1986, and have issued our report thereon dated May 23, 1987.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting 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 Sunset Drainage District of St. Charles Parish 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 express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in laws, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following instances of noncompliance that may be material to the general purpose financial statements but for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Sunset Drainage District of St. Charles Parish financial statements.

**Local Government Budget Act**

LSA-RS 39:1300-14 requires the governing authority to amend its budget when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. The budget was amended once during the year to comply with this requirement. However, at year end the district's CPA made necessary adjusting and correcting entries which resulted in the actual expenditures exceeding the budgeted expenditures by more than five percent. In the future, the district's secretary/treasurer will consider this possibility when projecting expenditures.

**SUNSET DRAINAGE DISTRICT  
OF ST. CHARLES PARISH  
ST. CHARLES PARISH COUNCIL  
Paradis, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 1996**

amount not to exceed \$30.00 per acre on each acre of land within the boundaries of the district for the purpose of improving, operating and maintaining drainage facilities. For the year ending December 31, 1996 the district levied an acreage tax of \$6.00 per acre of land. The tax roll is prepared by the Assessor's office. The taxes are collected and remitted by the Tax Collector. Maintenance taxes are recorded at the total amount assessed plus prior year taxes collected during the current year. Prior to remitting the taxes, the Tax Collector deducts an amount for the Assessor's office pension fund and deducts 14% commission on collected taxes charged by the Tax Collector. In 1996 the expenditure for the pension fund was \$1,415 and the 14% commission was \$7,333. These expenditures less the net prior year taxes collected of \$84 are reported as Maintenance Tax Expenditures in the general fund.

The district records as a receivable the total maintenance taxes assessed for the year less charges by the Assessor and Tax collector. An Allowance for doubtful accounts is not recorded by the district because the amount of uncollected taxes is immaterial and written off in the year following the year of assessment.

The total taxable acreage for 1996 was 10,332.90 acres.

The following are the principal taxpayers for the district:

Taxpayer	Total acreage assessed	Total tax assessed	Percentage of total acreage assessed			
Tessaro, Inc.	9,433	\$ 42,164	43.61%			
Gussers Margaret B., et aln	101	1,504	2.91%			
Rivet, Nancy Joseph	187	938	2.81%			
Gussers, Alvin C., M/W	153	767	1.48%			
Lomson, Mary Ann Wial, et aln	140	700	1.35%			
Gussers, Elizabeth K. et aln 1/2	102	509	Total	9,316	\$ 48,581	90.14%

**NOTE 3. GRANT**

The St. Charles Parish Council subsidized the operations of the district in the amount of \$190,000 for fiscal year 1996 in equal quarterly installments. The Sunset Drainage District agreed to adequately maintain the drainage system within the boundaries of the district to protect the lives and property of the citizens residing within the district.