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**GRADY BRASSARD DISTRICT NO. 3
OF ORLEANS PARISH
CADDIS PARISH POLICE JURY
CADDIS, LOUISIANA**

**COMPONENT UNIT FINANCIAL REPORT
FOR THE YEAR ENDING DECEMBER 31, 1999**

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 4-7-00

RECEIVED
LEGISLATIVE AUDITOR
Baton Rouge, LA
APR 11 2000



GLS SCHRAM & CO., Ltd.

Chartered Accountants

General Public Accountants

General Practitioners

To the Board of Directors
Gravity Drainage District No. 7
Cameron, Louisiana

In planning and performing our audit of the component unit financial statements of the Gravity Drainage District No. 7 as of and for the year ended December 31, 1986 we considered the District's internal control structure to determine our audit procedures for the purpose of expressing an opinion on the component unit financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated June 11, 1986 on the component unit financial statements of Gravity Drainage District No. 7.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District officials, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. A copy of this letter will be provided to the Legislative Auditor.

A. Schram & Co., Ltd.

June 11, 1986

**INDEPENDENT AUDITORS' REPORT**

Board of Commissioners
Gravity Drainage District No. 7
of Cameron Parish
Cameron Parish Police Jury
Cameron, Louisiana

We have audited the accompanying component unit financial statements of the Gravity Drainage District No. 7 of Cameron Parish, a component unit of Cameron Parish Police Jury, as of December 31, 1989. These financial statements are the responsibility of the District's Board. 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 Gravity Drainage District No. 7 of Cameron Parish as of December 31, 1989, 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 11, 1990 on our consideration of Gravity Drainage District No. 7's internal control structure and a report dated June 11, 1990 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "supplemental information" in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Gravity Drainage District No. 7 of Cameron 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 such financial statements taken as a whole.

Gus Schram & Co., Ltd.

June 11, 1990

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GRAVITY DRAINAGE DISTRICT NO. 7
CAMERON PARISH, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
DECEMBER 31, 1995

Statement A

	<u>Governmental</u> <u>Fund Type</u>	<u>Account</u> <u>Group</u>	<u>TOTALS</u> <u>(Demonstration</u> <u>Only)</u> <u>1995</u>
	<u>General</u> <u>Fund</u>	<u>General</u> <u>Fund</u> <u>Assets</u>	
ASSETS			
Cash in bank	\$ 242,128	\$	\$ 242,128
Investments	212,958		212,958
Interest receivable	11,288		11,288
Ad valorem taxes receivable	113,251		113,251
Prepaid insurance	4,242		4,242
Building and equipment (Note 2)	<u> </u>	<u>285,195</u>	<u>285,195</u>
TOTAL ASSETS	\$ <u>683,667</u>	\$ <u>285,195</u>	\$ <u>683,772</u>
LIABILITIES & FUND EQUITY			
Liabilities:			
Accounts payable	\$ 312	\$	\$ 312
Deductions from Ad Valorem Taxes	<u>4,144</u>		<u>4,144</u>
Total Liabilities	4,456	0	4,456
Fund Equity:			
Investment in general fund assets		285,195	285,195
Fund balances:			
Expensed for prepaid insurance (Note 1)	4,242		4,242
Unexpended - undesignated	<u>675,184</u>		<u>675,184</u>
Total Fund Equity	683,476	285,195	683,672
TOTAL LIABILITIES & FUND EQUITY	\$ <u>683,667</u>	\$ <u>285,195</u>	\$ <u>683,772</u>

The Accompanying Notes are an Integral Part of this Statement.



EMERY DRAINAGE DISTRICT NO. 7
CAMBRIDGE PARISH, LOUISIANA

Statement B

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>2000</u>
REVENUES	
Ad valorem taxes	\$ 100,000
Intergovernmental Revenue	5,000
Interest earnings	<u>20,000</u>
Total revenues	125,000
EXPENDITURES	
Public Works:	
Drainage & Flood Control:	
Per Diem (Board)	
Commissions	3,750
Operating Services	70,504
Materials & supplies	11,000
Travel & other charges	3,100
Intergovernmental charges	4,144
Capital Outlay	<u>28,300</u>
Total Expenditures	120,800
Excess (deficiency) of revenues over expenditures	10,470
Fund Balance-January 1	<u>607,000</u>
Fund Balance-December 31	\$ <u>617,470</u>

The Accompanying Notes are an Integral Part of this Statement.



GRAVITY DRAINAGE DISTRICT NO. 7
CAMDEN PARISH, LOUISIANA

Statement C

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGET (NON-SAMP BUDGETARY BASIS)
AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$ 191,707	\$ 192,861	\$ (1,154)
Intergovernmental	0,000	0,000	0
Interest earnings	21,048	19,045	2,003
Total Revenues	178,254	191,711	(13,457)
EXPENDITURES			
Per diem (Board Commissioners)	2,750	2,750	0
Operating expenses	76,004	76,110	206
Materials & supplies	11,000	11,181	800
Travel	2,100	2,100	0
Intergovernmental charges	4,501	4,501	0
Capital Outlay	21,948	20,717	1,231
Total Expenditures	138,263	137,359	904
Excess (deficiency) of revenues expenditures	41,991	54,352	(12,361)
Fund Balance - January 1	207,858	207,858	0
Fund Balance - December 31	\$ 249,849	\$ 262,210	\$ (12,361)

"The Accompanying Notes are an Integral Part of this Statement."

**GRAVITY DRAINAGE DISTRICT NO. 7
OF CAMERON PARISH
CAMERON PARISH POLICE JURY**

**Notes to the Financial Statements
For the Year Ended December 31, 1988**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gravity Drainage District No. 7 of Cameron Parish is a body corporate created by the Cameron Parish Police Jury, as provided by Louisiana Revised Statute 38:1751-1893. The Drainage District is governed by a board of five commissioners who are appointed by the Cameron Parish Police Jury. The Drainage District is authorized to construct, maintain and improve the system of gravity drainages within the District. The District covers 187 square miles and serves an approximate population of 828.

The Drainage District is a component unit of the Cameron Parish Police Jury, the governing body of the Parish. The accompanying financial statements present information only on the funds and account groups maintained by the Drainage District and do not present information on the police jury and the general government services provided by that governmental unit. These are the component units of Gravity Drainage District No. 7.

A. FUND ACCOUNTING

The accounts of the Drainage District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Drainage District. It is used to account for all financial resources, except those required to be accounted for in other funds.

B. FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

Fixed assets are valued at historical cost. Public domain general fixed assets (or infrastructure assets) are not capitalized and therefore are not included in the totals for General Fixed Assets Account Group.

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

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized under the modified accrual basis of accounting when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined, and "available" means collectible with the current period or soon enough thereafter to be used to pay the liabilities of the current period. Ad valorem taxes 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 on December 31. The lien date is the date in which the tax assessor files the tax roll with the Clerk of Court, which is the same date as the levy date. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income on interest bearing demand deposits is recorded when the interest is measurable and available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

B. BUDGETARY ACCOUNTING

Even though the District is not subject to the Louisiana Local Budget Act (Mayor's General Opinion 89-456), annually, the Drainage District adopts a revenue and expenditure budget for the General Fund. A forecast of revenues and expenditures is made based upon the prior year's expenditures and taking into consideration additional expenditures which can be predetermined and estimated. Formal budgetary integration is not employed as a management control device during the year for the General Fund; however, monthly budget comparisons are made as part of interim reporting. The proposed 1995 budget was adopted by resolution in December, 1994 and amended in December, 1995. The final amended budget amounts were approved in the same manner as the original budget and are utilized in this report. Actual expenditures were more than budgeted amounts by \$656. Revenues were \$26,833 less than budgeted amounts. State law requires that more than 5% unfavorable revenue or expenditure variance be amended. This was not done at year end.

Budgetary - GAAP Reporting Reconciliation

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GASB Budgetary Basis) and Actual - General Fund presents comparisons of the adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to prepare financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended December 31, 1995 is presented below.

Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (Budgetary Basis)	\$13,862
Adjustments:	
To adjust revenues for property tax and interest revenue accruals	(1,268)
To adjust expenditures for expenses accruals and prepaid insurance	____3,852
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$12,492</u>

E. CASH

Cash includes amounts in interest bearing demand deposit accounts. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, certificates of deposit, or securities issued or guaranteed by the U.S. government or its agencies. (See Note 2 for additional cash disclosures.)

Deposits in excess of federally insured amounts are required by statute to be protected by collateral securities of at least equal market value. The types of securities authorized by statute include U.S. Treasury and U.S. government agency obligations, general obligations of any state of the U.S., and general obligation bonds of Louisiana local governments.

F. VACATION AND SICK LEAVE AND PENSION PLAN

The District does not have any full-time employees, and, therefore, has no policy relating to vacation and sick leave and does not contribute to a pension plan.

G. FUND EQUITY

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Gravity Drainage District No. 7 has reserved \$8,142 of fund balance for prepaid insurance.

H. TOTAL COLUMN ON STATEMENTS - OVERVIEW

The total columns on the statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

3. CASH CONCENTRATION OR CREDIT RISK

At December 31, 1998, the District has cash (cash balances) totaling \$947,100 in interest bearing demand accounts and \$212,194 in certificates of deposit. The District had \$502,347 in deposits (included bank balances and certificates of deposits). These deposits are stated at cost, which approximates market.

During the year, the District's deposits were entirely insured or collateralized as required by state law.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows.

	Balance 1/01/1993	Additions	Deletions	Balance 12/31/1993
Building and Improvements	\$ 41,341	\$33,715	\$ -	\$ 75,056
Equipment	308,645	6,558	-	315,203
Furniture and Fixtures	3,532	-	-	3,532
General Fixed Assets	\$353,518	\$40,283	\$ -	\$393,801

4. LEVIED TAXES

Property taxes are levied each November 15 on the assessed value as of the prior January 1 for all real estate, merchandise, and movable property located in the Parish. Assessed values are established by the Cameron Parish Assessor and the Louisiana Tax Commission at a per cent of actual value, as specified by Louisiana law. An assessment of all property is required to be completed no less than every four years. The following is a summary of the authorized and levied and valorem taxes:

	-----1994----- Authorized Millions	Levied Millions
Maintenance	4.55	4.55

5. INSURANCE

The District participates in the Insurance and Trust Fund established by the Cameron Parish Police Jury for purposes of obtaining better rates on the District's property insurance, general liability insurance, auto and omnibus insurance and workers' compensation insurance. The Police Jury has an oversight entity/ purchases commercial insurance for all of the above risks. The coverage obtained is similar to prior years and the District has not been required to fund any excess amounts for settlements exceeding insurance coverage. For the 1992-1993 policy period, the District contributed approximately \$1,800 to the Insurance and Trust Fund. The payment should constitute the majority of the responsibility of the District. The District does have a separate insurance policy on specific equipment items.

8. LITIGATION/CONTINGENT LIABILITIES

The attorney for the District has confirmed that there is no litigation pending against the District as December 31, 1992. No accrual of liabilities is provided, accordingly.

The District is subject to certain federal, state and local regulations relating to environmental compliance issues. There is a risk that the District could be found to be in noncompliance with these regulations. Should this occur, it may be subject to fines and mandatory remedial actions which may be material to the financial statements. Management has no knowledge of any compliance problems as of the date of the balance sheet.



GRAVITY DRAINAGE DISTRICT NO. 3
CADDON PARISH, LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
DECEMBER 31, 1995

Schedule I

PER DIEM PAID TO BOARD MEMBERS

Per Diem and other compensation paid to the Board of Commissioners for the year ended December 31, 1995 are as follows:

Robert Romero	\$ 700
Carroll Truhan	600
Tom Barendse	600
Maryann McCre	600
Lesley Truhan	600
Total	<u>\$3,100</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Gravity Drainage District No. 7
of Cameron Parish
Cameron, Louisiana

We have audited the component unit financial statements of Gravity Drainage District No. 7 of Cameron Parish for the year ended December 31, 1998, and have issued our report thereon dated June 11, 1999.

We conducted our audit in accordance with generally accepted accounting 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 management of Gravity Drainage District No. 7 of Cameron 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. 7 of Cameron Parish for the year ended December 31, 1998, 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 assurance on the internal control structure.

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 judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

lack of Segregation of Duties

An effective internal control structure is dependent to a great extent on segregation of responsibilities for initiating, evaluating, and approving transactions from those for detail accounting and other related functions. Because of the entity's size, it is not feasible to segregate duties to achieve effective internal accounting control. Therefore, the audit was performed more efficiently by performing substantive tests as no reliance was placed on internal control.

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 component unit 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 believe that the reportable condition described above is 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 component unit financial statements of Gravity Drainage District No. 7, for the year ended December 31, 1996.

We also noted other matters involving the internal control structure and its operations that we have reported to the management of the District in a separate letter dated June 21, 1996.

This report is intended for the information of the Board of Commissioners of Gravity Drainage District No. 7 of Cameron Parish and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A. Schan & Co., LPA

Lake Charles, Louisiana
June 21, 1996



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Gravity Drainage District No. 7
of Cameron Parish
Cameron, Louisiana

We have audited the component unit financial statements of Gravity Drainage District No. 7 of Cameron Parish as of and for the year ended December 31, 1996, and have issued our report thereon dated June 11, 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 Gravity Drainage District No. 7 of Cameron Parish is the responsibility of Gravity Drainage District No. 7's management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of Gravity Drainage District No. 7'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.

We also noted one immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated June 11, 1996.

This report is intended for the information of the Board of Commissioners of Gravity Drainage District No. 7 of Cameron Parish and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A. Schram & Co., Ltd.

Lake Charles, Louisiana
June 11, 1996

- American Institute of Certified Public Accountants
- Florida Certified Public Accountants (CPA)
- Society of Accountants Certified Public Accountants