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**BAYOU BLUE GRAVITY DRAINAGE DISTRICT
NO. 1 OF ALLEN PARISH
Oberlin, Louisiana**

**Financial Statements
With Independent Auditor's Reports
For the Two Years Ended December 31, 1997 and 1998**

under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally 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 4-14-99 . . .

Rayne T. Schmidt, CPA, Inc.
Oberlin, LA 70555

RAYNE BLUE GRAVITY DRAINAGE DISTRICT
NO. 1 OF ALLEN PARISH
Oberlin, Louisiana

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ROYCE T. SCIMEMI, CPA, INC.



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INDEPENDENT AUDITOR'S REPORT

**BOARD OF COMMISSIONERS
BAYOU BLUE GRANTY DRAINAGE DISTRICT
NO. 1 OF ALLEN PARISH
Oberlin, Louisiana**

I have audited the accompanying general purpose financial statements of Bayou Blue Granty Drainage District No. 1 of Allen Parish, a component unit of the Allen Parish Police Jury, as of and for the two years ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of management of the district. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of Bayou Blue Granty Drainage District No. 1 of Allen Parish at December 31, 1998, and the results of operations for the two years ended December 31, 1998, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated March 26, 1999 on my consideration of Bayou Blue Granty Drainage District No. 1 of Allen Parish's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts and grants.

Royce T. Scimemi, CPA, Inc.
March 26, 1999

Royce T. Scimemi, CPA, Inc.

Bayou Blue Growth Strategic District No. 2 of Allen Parish
Merry, Louisiana

Balance Sheet - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2008

ASSETS	
Cash in bank	\$ 838
Interest bearing deposits	157,340
Receivables - all various taxes, net	30,868
TOTAL ASSETS	\$189,046
LIABILITIES AND FUND EQUITY	
Liabilities	\$ 5,000
Fund Equity - fund balance - unassigned/unbudgeted	184,046
TOTAL LIABILITIES AND FUND EQUITY	\$189,046

The accompanying notes are an integral part of these financial statements.

**Bayou Blue Gravity Drainage District No. 2 of Allen Parish
Maurice, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balance -
GOVERNMENTAL FUND TYPE - GENERAL FUND**

For the Years Ended December 31, 1997 and 1996

	<u>December 31,</u>	
	<u>1997</u>	<u>1996</u>
REVENUES		
Ad valorem taxes, net	\$ 83,320	\$ 95,448
Interest earnings	8,151	5,856
Total revenue	<u>91,471</u>	<u>101,304</u>
EXPENDITURES		
Current		
Public works - drainage		
Personal services	1,580	1,050
Operating services	67,644	48,891
Materials and supplies	180	—
Total expenditures	<u>69,304</u>	<u>50,941</u>
EXCESS OF REVENUES OVER EXPENDITURES	22,167	50,363
FUND BALANCE AT BEGINNING OF YEAR	181,816	141,454
FUND BALANCE AT END OF YEAR	<u>203,983</u>	<u>191,817</u>

The accompanying notes are an integral part of these financial statements.

**BOYHO BLUE GRAVITY DRAINAGE DISTRICT
NO. 1 OF ALLEN PARISH**
Oberlin, Louisiana

Notes to the Financial Statements
December 31, 1997 and 1996

INTRODUCTION

Boyho Blue Gravity Drainage District No. 1 of Allen Parish (District) was created by the Allen Parish Police Jury under the authority of Louisiana Revised Statute 30:1751 et seq. The district is governed by a five-member board appointed by the police jury who, at their option, have elected to serve without compensation. The district was established for the purpose of opening and maintaining all natural drains in the district, where drainage is accomplished using the natural force of gravity. This may be accomplished by cutting and opening new drains, ditches, and canals.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 Standard 34 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Because the police jury provides financial benefits that make the district financially dependent, the district was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information

JEANNE BUIE CHARITY DELAWARE DISTRICT
NO. 1 OF ALLEN PARISH
Oberlin, Louisiana

Notes to the Financial Statements - Continued
December 31, 1997 and 1996

on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The accounts of the 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 the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as the General Fund.

General Fund

The General Fund, as provided by Louisiana Revised Statute 15:791, is the only fund necessary for the district and is used to account for the general operations of the district.

C. 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 measurement made, regardless of the measurement basis applied.

The district's records are maintained on a modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Ad valorem tax revenues and interest earned on interest bearing deposits are recorded in the year in which they are earned. Based on this criteria, ad valorem tax revenues are treated as receivable for accrual. Impact income on time deposits is recorded when the time deposits have matured and the income is available.

Expenditures

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

D. BUDGETARY ACCOUNTING

The district was created prior to 1994 and is not subject to the provisions of the Louisiana Local Government Budget Act, accordingly, budgetary comparisons are not presented.

RAYON BLUE GRASSVILLE DRAINAGE DISTRICT
NO. 1 OF ALLEN PARISH
Orleans, Louisiana

Notes to the Financial Statements - Continued
December 31, 1997 and 1998

E. INTEREST-BEARING DEPOSITS

Interest-bearing deposits are stated at cost, which approximates market.

F. BAD DEBTS

Uncollectible amounts due for receivables are recognized as bad debts by the direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), an allowance for uncollectible accounts receivable is made due to immateriality as December 31, 1998.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recording in order to ensure that portion of applicable appropriation is not employed by the district as an extension of formal budgetary integration in the funds.

H. CASH AND INTEREST-BEARING DEPOSITS

Under state law, the district may deposit funds within a fiscal agent bank located in the parish or congressional district that is organized under the laws of the State of Louisiana, the laws of any other state of the Union, or the laws of the United States. The district may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As December 31, 1998, the district has cash and cash equivalents (bank balances) totaling 128,178 as follows:

	Federal National Bank
Demand Deposits - Interest Bearing	\$ 838
Time Deposits	127,341
Total	<u>\$128,179</u>

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 of deposits with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is monthly accessible to both parties. As December 31, 1998, the district had \$,144,239 in deposits, all of which was covered from risk by federal deposit insurance and pledged securities.

BOYD BLUE GRAVITY DRAINAGE DISTRICT
No. 1 OF ALLEN PARISH
Orleans, Louisiana

Notes to the Financial Statements - Continued
December 31, 1997 and 1998

I. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the two years ended December 31, 1998:

	<u>Authorized</u> <u>Millage</u>	<u>Levied Millage</u>		<u>Expiration</u> <u>Date</u>
	<u>1997</u>	<u>1998</u>	<u>1999</u>	
Maintenance and operation	13.08	14.27	14.27	1999

Property taxes are levied annually on November 1 and are due December 31. Major tax payments are received December through April, and are recognized as revenue in the year levied. Lien sales for personal and real property are in June and October, respectively. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received. More than 95% of the district's revenues are derived from ad valorem tax payments. The authorized and levied millage for those ad valorem taxes is not to expire or be increased in 1999.

II. LITIGATION AND CLAIMS

There is no litigation pending against the district at December 31, 1998.

ROYCE T. SCIMEMI, CPA, INC.



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Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

BOARD OF COMMISSIONERS BAYOU BLUE GRAVITY DRAINAGE DISTRICT NO. 1 OF ALLEN PARISH Orleans, Louisiana

I have audited the general purpose financial statements of the Bayou Blue Gravity Drainage District No. 1 of Allen Parish, a component unit of the Allen Parish Police Jury, as of and for the two years ended December 31, 1998, and have issued my report thereon dated March 26, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Bayou Blue Gravity Drainage District No. 1 of Allen Parish's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclose no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Bayou Blue Gravity Drainage District No. 1 of Allen Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to entities in the general purpose financial statements.

Rayco Blue Gravity Drainage District No. 1 of Allen Parish
Compliance and Internal Control Report (Continued)

being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of Allen Parish Clerk of Court and the Allen Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

Rayco T. Leimann, CPA, Inc.
March 28, 1999

Rayco T. Leimann, CPA, Inc.