

GRAND MARAIS DRAINAGE DISTRICT,  
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1996

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Grand Marais Drainage District, Jefferson Davis Parish, Louisiana was created by the Jefferson Davis Parish Police Jury under the authority provided by the provisions of Part 5, Chapter 7, Title 26 of the Louisiana Revised Statutes of 1994, as amended, and other constitutional and statutory authority supplemental thereto. The Grand Marais Drainage District, Jefferson Davis Parish, Louisiana was created to open and maintain all natural drains in the district where drainage is accomplished through the natural force of gravity.

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 of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

**A. Reporting Entity**

GASB Codification Section 1180 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Financial Accountability
2. Appointment of a Voting Majority
3. Impairment of Will
4. Financial Benefits to or Burden on a Primary Government
5. Financial Accountability as a result of Fiscal Dependency

Because the police jury has financial accountability and they appointed a voting majority of the board of commissioners Grand Marais Drainage District, Jefferson Davis Parish, Louisiana was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying component unit financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general governmental services provided by the governmental unit, or the governmental units that comprise the governmental reporting entity.

**B. Fund Accounting**

The accounts of the drainage district are organized on the basis of funds and an account group, 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 comprises its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in three individual fund bases upon the purpose for which they are to be used and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

**1. Governmental Fund Type**

**General Fund**

The General Fund is the general accounting fund of the gravity drainage district. It accounts for all financial resources, except for those required to be accounted for in other funds.

GRAND MARAIS (JEANERIE) DISTRICT,  
JEFFERSON DAVIS PARISH, LOUISIANA

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COMPONENT UNIT  
FINANCIAL STATEMENTS

OF THE

GRAND MARAIS DRAINAGE DISTRICT,  
JEFFERSON DAVIS PARISH, LOUISIANA.

AS OF DECEMBER 31, 1966

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: APR 25 1967

FRED GEE, NORDON, ROBERT & SCHULTZERS  
Certified Public Accountants  
CA Professional Corporation  
342 E. Academy Street  
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Baton Rouge, Louisiana 70804

**NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1996**

**3. GENERAL LONG TERM DEBT**

The drainage district issued general obligation bonds totaling \$480,000 in 1986, with principal payments due beginning in 1998. Long-term debt payable at December 31, 1996 is \$315,000 and is comprised of the following:

expiring on	term of	Original	Interest	Final	Interest	at year end
December 31,	years	amount	rate	amount	due	December 31,
1996		\$	%	\$	\$	1996
		480,000	11.50	315,000	194,355	197,355

The annual requirements to amortize all bonds outstanding at December 31, 1996, including interest of \$154,355, are as follows:

Year ending December 31,	
1997	48,378
1998	49,458
1999	47,429
2000	50,127
2001	47,878
2002	48,973
2003	47,068
2004	48,345
2005	45,515
2006	48,313
<b>Total</b>	<b>\$ 479,355</b>

These general obligation bonds were issued to construct drainage work in and for the drainage district and are funded by a property tax on all taxable property within the drainage district.

**4. LITIGATION AND CLAIMS**

There is no litigation pending against the drainage district at December 31, 1996.

**5. COMPENSATION OF COMMISSIONERS**

As provided by Louisiana R.S. 33:2796, four of the board members receive \$25 per diem for each board meeting they attend and the president of the board receives \$40 per diem for each meeting he attends. The board of commissioners began receiving the per diem in August 1986.

# FREDERICK, NORTON, ROBERT & SCHULTHESS

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Board of Commissioners  
Grand Marsh District  
Jefferson Davis Parish, Louisiana

We have performed the procedures included in the Louisiana government Audit Guide and mentioned below, which were agreed to by the management of the District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Assertion Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$ 5000, or public works exceeding \$ 50,000, and determine whether such purchases were in order in accordance with LSA-RS 38:211-221 (the public bid law).

No expenditures met the above test date.

#### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the needed information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of these employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

**ISLAND MARSH DRAINAGE DISTRICT,  
JEFFERSON PARISH, LOUISIANA**

**NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1996**

**G. Fixed Assets**

Fixed assets used in governmental flood type operations are accounted for in the General Fixed Assets Account Group. Plans, property, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. Grand Marsh Drainage District, Jefferson Davis Parish, Louisiana had no fixed assets as December 31, 1996.

**H. Investments**

Under Louisiana Revised Statute 18:1231, the gravity drainage district may invest in taxable securities. However, the Grand Marsh Drainage District, Jefferson Davis Parish, Louisiana chose not to invest in any securities.

**I. Total Columns On Component Unit Financial Statements**

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.

**J. Fund Equity**

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. The General Fund of the Grand Marsh Drainage District, Jefferson Davis Parish, Louisiana has fund balance that is reserved and re-designated, the Debt Service Fund has a fund balance that is reserved, and the Capital Projects Fund has a fund balance that is reserved but designated for major construction projects.

**K. Vacation and Sick Leave**

The gravity drainage district has no policies related to vacation and sick leave. The board of commissioners of the district are not employees.

**2. LEVIED TAXES**

The following is a summary of authorized and levied of various taxes:

	1996	
	<u>Authorized</u> <u>Millage</u>	<u>Levied</u> <u>Millage</u>
District Taxes:		
General Maintenance	0.83	0.80
Debt Service	0.60	0.60

GRAND MARAIS DRAINAGE DISTRICT,  
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1996

**Debt Service Fund**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Capital Projects Fund**

The Capital Projects Fund accounts for financial resources used to construct and improve drainage facilities within the district.

2. **Account Groups**

The account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

**General Long-term Debt**

Long-term liabilities reported to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

C. **Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Measurable means that the amount of the transaction can be determined and available means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as a fund liability when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

3. **Revenues**

All revenue taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed for the calendar year, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December of the current year and January and February of the following year. Interest income represents amounts earned on certificates of deposits and insured money market accounts invested with financial institutions. Interest earned on certificates of deposit is recorded when the certificate matures and the interest is available. Interest earned on insured money market accounts is recorded when received. Intergovernmental revenue is recorded when received.

#### **Expenditures**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amendments.

6. Trace the budget adoption and amendments in the minute book.

We traced the adoption of the original budget and amendments in the minutes of meetings held December 18, 1985 and November 19, 1986, respectively, which indicated that the budget and amendments were approved and adopted by the board of commissioners of Grand Marais Drainage District, Jefferson Davis Parish, Louisiana by a unanimously vote on both issues.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 3 %.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 3%, except that total actual revenue to the General Fund exceeded budgeted revenue by 15% due to unbudgeted interest income.

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation to proper amount and date.

We examined supporting documents for each of the six selected disbursements and found that payment was for the proper amount and made to the correct party.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

The payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the full board of Commissioners.

#### **Minutes**

9. Examine evidence indicating that agendas for meetings conducted in the minute books were posted or advertised as required by L.S.A. RS 42:1 through 42:12 (the open meetings law).

Grand Marais Drainage District is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. We did trace supports that the notices were posted. Management has asserted that such documents were properly posted.

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or life insurance.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or life insurance.

#### **Advances and Loans**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute loans, advances, or gifts.

Grand Marais Drainage District has no employees. Examination of the minutes for the year and tracing disbursements for the year indicated no such payments had been made.



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## ACCOUNTANTS' COMPILATION REPORT

To the Honorable Board of Commissioners  
Grand Marshé Drainage District,  
Jefferson Davis Parish, Louisiana

We have compiled the statements and financial statements of the Grand Marshé Drainage District Jefferson Davis Parish, Louisiana as of December 31, 1996, and for the year then ended, in accordance with Standards on Standards for Accountant's Compilation and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to proceeding in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



FREDERICK, NORTON, ROBERT & SCHULTHESS  
May 28, 1997

GRAND MARAIS DRAINAGE DISTRICT,  
 (E) PERSON DAVIS PARKS, LOUISIANA

Exhibit B

COMPONENT UNIT STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE  
 ALL GOVERNMENTAL FUND TYPES  
 For The Year Ended December 31, 1998

	GENERAL FUND	WATER SEWERAGE FUND	INDUSTRIAL PARKS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Oil Pollution Taxes	\$ 50,750	\$ 81,875	\$ -	\$ 132,625
Industrial Income	5,151	8,375	-	13,526
<b>TOTAL REVENUES</b>	<u>\$ 55,901</u>	<u>\$ 90,250</u>	<u>\$ -</u>	<u>\$ 146,151</u>
<b>EXPENDITURES</b>				
General operations:				
Salaries	\$ 5,180	\$ -	\$ -	\$ 5,180
Fringe and administrative	1,181	-	-	1,181
Public works	55,184	-	-	55,184
Other services - telephone and	-	47,875	-	47,875
Travel charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 61,545</u>	<u>\$ 47,875</u>	<u>\$ -</u>	<u>\$ 109,420</u>
<b>NETS LIABILITIES DECREASES AND FUND BALANCE</b>	<u>\$ 14,356</u>	<u>\$ 42,375</u>	<u>\$ -</u>	<u>\$ 56,731</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Special use revenues: to	\$ -	\$ -	\$ -	\$ -
operating construction cost	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NETS LIABILITIES DECREASES AND FUND BALANCE FOR INDUSTRIAL PARKS FUND</b>	<u>\$ 14,356</u>	<u>\$ 42,375</u>	<u>\$ -</u>	<u>\$ 56,731</u>
<b>NET FINANCIAL POSITION AT BEGINNING OF YEAR</b>	<u>\$ 111,200</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 211,200</u>
<b>NET FINANCIAL POSITION AT END OF YEAR</b>	<u>\$ 125,556</u>	<u>\$ 142,375</u>	<u>\$ -</u>	<u>\$ 267,931</u>

**GRAND MARAIS DRAINAGE DISTRICT,  
JEFFERSON DRIVE PARK, LOUISIANA**

Table 2

**COMPONENT UNIT COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
As of December 31, 1996**

	FUND TYPE			GENERAL	TOTAL
	GENERAL	SEWER	WATER	FUND	
<b>ASSETS AND OTHER DEBITS</b>					
Assets:					
Cash and cash equivalents	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 200,000
Accounts receivable	50,000	50,000	-	-	100,000
Accounts payable	-	-	-	200,000	200,000
Other assets	-	-	-	50,000	50,000
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 350,000</b>
<b>LIABILITIES, NETS AND OTHER CREDITS</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
Equity and Other Credits:					
Reserves -					
Unassigned -	100,000	100,000	-	-	200,000
Assigned -	50,000	50,000	-	-	100,000
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>
<b>TOTAL LIABILITIES, NETS AND OTHER CREDITS</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 300,000</b>

See Accompanying Notes and Accountants' Compilation Report

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Grand Marais Township District and the Legislative Auditor, state of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



FREDERICK, NORTON, ROBERT & SCHULTZE

May 26, 1997

GRAND MARAIS DRAINAGE DISTRICT,  
 IN PARISH OF ST. LAZARE, LOUISIANA

COMMITMENT UNIT STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 For The Year Ended December 31, 1986

	BUDGET	ACTUAL	PERCENTAGE
	1986	1986	1986
REVENUES			
At 12/31/85	\$ 0.00	\$ 0.00	0.00
License Fees	0.00	0.00	0.00
TOTAL REVENUES	\$ 0.00	\$ 0.00	0.00
EXPENDITURES			
Capital Expenditures:			
Land	0.00	0.00	0.00
Plant and Equipment	0.00	0.00	0.00
Other	0.00	0.00	0.00
TOTAL EXPENDITURES	\$ 0.00	\$ 0.00	0.00
CHANGES IN BALANCE			
At 12/31/85	\$ 0.00	\$ 0.00	0.00
TOTAL CHANGES IN BALANCE	\$ 0.00	\$ 0.00	0.00
AT 12/31/86	\$ 0.00	\$ 0.00	0.00
Other Changes	0.00	0.00	0.00
TOTAL OTHER CHANGES	0.00	0.00	0.00
AT 12/31/86	\$ 0.00	\$ 0.00	0.00
TOTAL BALANCE AVAILABLE AT END OF YEAR	\$ 0.00	\$ 0.00	0.00
TOTAL BALANCE AVAILABLE AT END OF YEAR	\$ 0.00	\$ 0.00	0.00
TOTAL BALANCE AVAILABLE AT END OF YEAR	\$ 0.00	\$ 0.00	0.00

GRAND MARAIS DRAINAGE DISTRICT,  
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1996

2. 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 are recognized when due.

3. Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid and proceeds from the sale of bonds are accounted for as other financing sources (uses) and are recognized when the underlying event occurs.

D. Budget Practices

The gravity drainage district adopted its budget for 1996 on December 19, 1995. The gravity drainage district does not use encumbrance accounting.

E. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include checking accounts and certificates of deposits (if applicable). Under state law, the gravity drainage district may deposit funds within a fiscal agent bank organized under the laws of the United States, or under the laws of the Jefferson Davis Parish Police Jury, or any other state in the union. Further, the drainage district may invest its time deposits or certificates of deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana, or in obligations guaranteed by the federal government.

The Grand Marais Drainage District, Jefferson Davis Parish, Louisiana had cash and cash equivalents totaling \$ 483,646 as December 31, 1996. Cash and cash equivalents are stated at cost which approximates market. These deposits must be secured under state law by federal deposit insurance or by the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times be equal to the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a collateral trust that is normally acceptable to the parties involved.

The following is the district's cash and cash equivalents as December 31, 1996 with the related federal deposit insurance and pledged securities:

	FDIC/FSLIC Insured	Collateralized
Cash and Cash Equivalents	\$ 285,820	\$ 297,826

F. Receivables

All receivables are reported at their net values, which is the gross receivable less the estimated portion that is expected to be uncollectible.