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**GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Bossier, Louisiana**

**Annual Financial Statements
December 31, 1997**

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 SEP 2 2 1998

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 1997

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Mike B. Gillespie, CPA

(A Professional Accounting Corporation)
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Grand Marsh Gravity Drainage District
Jefferson Davis Parish, Louisiana

I compiled the accompanying general purpose financial statements of the Grand Marsh Gravity Drainage District, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 1997, and the accompanying supplementary information listed in the table of contents, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule information that is the representation of management of the Grand Marsh Gravity Drainage District. I have not audited or reviewed the accompanying general purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Code and the provisions of state law, I have issued a report, dated June 23, 1998, on the results of my agreed-upon procedures.



Certified Public Accountant

Jennings, Louisiana
June 23, 1998

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Balance Sheet as of December 31, 1997

	Governmental Fund Type		Account Group	Total (In thousands Only)
	General Fund	Debt Service Fund	General Long-term Obligations	
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and cash equivalents	\$ 188,649	\$ 39,649	\$ -	\$ 228,298
Receivables				
And various taxes	43,185	59,822	-	103,007
Other debts:				
Amount available for retirement of general long term obligations	-	-	78,960	78,960
Amounts to be provided for retirement of general long term obligations	-	-	1,840	1,840
TOTAL ASSETS AND OTHER DEBITS	\$ 231,834	\$ 79,471	\$ 80,800	\$ 392,105
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Bonds payable	\$ -	\$ -	\$ 80,800	\$ 80,800
Total Liabilities	-	-	80,800	80,800
Equity and Other Credits:				
Fund balances:				
Unreserved-designated	-	78,960	-	78,960
Unreserved-undesignated	231,834	-	-	231,834
Total Fund Equity and Other Credits	231,834	78,960	-	310,794
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 231,834	\$ 78,960	\$ 80,800	\$ 392,105

See accompanying notes and accountant's report.

**GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**GOVERNMENTAL FUND TYPES
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 1997**

	General Fund	Debt Service Fund	Totals (Memorandum Only)
REVENUES			
Ad valorem taxes	\$ 31,190	\$ 64,467	\$ 115,657
Interest earnings	9,347	8,245	17,592
Other revenues	380	-	380
Total revenues	<u>60,917</u>	<u>72,712</u>	<u>133,629</u>
EXPENDITURES			
Board per diem payments	3,029	-	3,029
Professional services	2,480	-	2,480
Office supplies	3	-	3
Operating services-contractors	35,488	-	35,488
Operating supplies and materials	3,971	-	3,971
Other expenditures	326	-	326
Deductions from ad valorem taxes	1,688	3,116	4,804
Debt service	-	271,278	271,278
Total expenditures	<u>60,905</u>	<u>274,394</u>	<u>335,299</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,988)</u>	<u>(201,682)</u>	<u>(203,670)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>340,597</u>	<u>379,664</u>	<u>720,261</u>
FUND BALANCE AT END OF YEAR	<u>\$ 338,609</u>	<u>\$ 177,982</u>	<u>\$ 516,591</u>

See accompanying notes and accountant's report.

**GRAND MARAIS CRAWLEY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1997**

INTRODUCTION

The Grand Marais Crawley Drainage District (District) was created by the Jefferson Davis Parish Police Jury pursuant to LSA-RS 38:1751 to 1994. The District primarily has the power and authority, within its boundaries, to plan, construct, maintain and operate such works of improvement as land treatment of watershed protection, flood prevention works, irrigation improvements, recreation, municipal and industrial water storage, and fish and wildlife developments.

Under the provisions of LSA-RS 38:1754, the District shall be governed and controlled by two commissioners who shall be the governing authority of the District. These commissioners as their spouses must own at least five hundred dollars in real estate in the district, or they must be the representative of some corporation owning at least five hundred dollars in real estate in the district. Each commissioner shall serve a term of four years. In the absence of any petition or recommendation, the police jury may appoint commissioners at their discretion.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements 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

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) 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. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

GRAND MARAIS GRANTY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

Because the police jury appoints members of the board and has the ability to significantly influence operations, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information of the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. 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 relating to certain government 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.

Funds of the district are classified as governmental funds. 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. Governmental funds of the district include:

1. **General Fund**—the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Debt Service Fund**—accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

D. 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 revenues and disbursements in net current assets. The modified accrual basis of accounting is used by the general fund. The governmental funds use the following practices in recording revenues and expenditures:

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

Revenues

All valorem taxes are recognized as revenue in the year the taxes are assessed, and to the extent they are available within 60 days of the year end. All valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Any collections of a valorem taxes prior to the period the levy was intended to finance are recorded as deferred revenues. Interest earnings on time deposits with financial institutions are recorded when the time deposits have matured and the interest is available to the District. Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing sources/uses) are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGET PRACTICES

The District prepares the proposed annual operating budget usually in November or December of each year. The operating budget includes proposed expenditures and the means of financing them. All budget appropriations lapse at year end.

The District did not adopt a budget for the year ended December 31, 1997.

F. ENCUMBRANCES

The District does not utilize encumbrance accounting.

G. CASH AND CASH EQUIVALENT

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. 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 or any other state of the United States, or under the laws of the United States.

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Bossier, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

II. FIXED ASSETS

The District has no fixed assets.

1. PENSION PLAN

The District has no full-time employees that qualify for participation in any of the public employee retirement systems.

2. LONG-TERM OBLIGATIONS

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

2. LEVIED TAXES

The District's authorized tax millage is 6.7 mills for general maintenance and the necessary mills for retirement of debt service. The District levied 6.83 mills for general maintenance and 8.60 mills for debt service for 1997. The difference is the result of the measurement of taxable property required by Article 7, Section 18 of Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish (amounts expressed in thousands):

Taxpayer	Type of Business	Assessed Valuations 1997	% of Total Assessed Valuations
Colonial Pipeline Co.	Pipeline	\$ 4,082	4.76
Energy Gulf States, Inc.	Utilities	3,390	3.95
Country Tele of Evangeline, Inc.	Telephone	2,698	3.21
Florida Gas Transmission	Pipeline	2,309	2.86
Tennessee Gas Pipeline Company	Pipeline	2,250	2.80
Wal-Mart Stores, Inc.	Retail	2,127	2.48
BellSouth Telecommunications, Inc.	Telephone	1,877	2.19
Texas Gas Transmission	Pipeline	1,487	1.64
Jeff Davis Bank & Trust	Banking	1,622	1.89
Harrington Resources O & G Co.	Oil & Gas	1,185	1.39
Total		\$ <u>25,782</u>	<u>30.87</u>

**GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE-JURY
Bossier, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1997**

3. CASH AND CASH EQUIVALENTS

At December 31, 1997, the District had cash and cash equivalents (bank balances) totaling \$ 210,192 as follows:

Interest-bearing demand deposits	\$	31,699
Time deposits		<u>177,533</u>
Total		\$ <u>210,192</u>

At December 31, 1997, the District had \$ 212,893 in deposits (collected bank balances). These balances were fully secured from risk by federal deposit insurance.

4. LITIGATION AND CLAIMS

The District is not presently involved in any litigations as plaintiff or defendant.

5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

		<u>Bonds Payable</u>
Long-term obligations payable at January 1, 1997	\$	325,000
Additions		0-
Deductions		<u>(242,000)</u>
Long-term obligations payable at December 31, 1997	\$	<u>83,000</u>

Following is a summary of the long term debt principal maturities and interest requirements:

<u>Fiscal Year</u>		<u>Bonds Payable</u>
1998	\$	30,538
1999		34,500
2000		18,258
Total		<u>83,296</u>
Less interest		<u>(18,296)</u>
Outstanding principal	\$	<u>65,000</u>

**GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1997**

The bonds payable were issued in 1986 in the amount of \$ 450,000 for the purpose of contracting drainage work to and for the drainage district. The bonds are funded by a property tax on all taxable property within the drainage district. The bonds bear interest rates ranging from 8.00% to 12.00%, with semiannual payments of interest and annual payments of principal.

ADDITIONAL REPORTS

Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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P O Box 1347

Jarvis, LA 70546

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Grand Marais Gravity Drainage District
Jefferson Davis Parish, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which agreed to by the management of the Grand Marais Gravity Drainage District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Grand Marais Gravity Drainage District's compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying Louisiana *Accounting 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, I make no representation regarding the sufficiency of the procedures described below either for the purposes 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 \$15,000, or public works exceeding \$ 100,000, and determine whether such purchases were made in accordance with LSA-RS 34:2211-2220 (the public law).

There were no expenditures for materials and supplies which exceeded \$ 15,000. There were no expenditures for public works exceeding \$ 100,000.

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 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 stated 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 those employees included in the listing obtained from management in agreed-upon procedures (2) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

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

Budgeting

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

The District did not adopt a budget for 1997.

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

The District did not adopt a budget for 1997.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by more than 5%.

The District did not adopt a budget for 1997.

Accounting and Reporting

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

- (a) Trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that the payment was for the proper amount and made to the correct payee.

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

All of the payments examined 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 Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:2 (the open meeting law).

Grand Marais Gravity Drainage District does not have an established office location. I could find no evidence that the agenda was posted or advertised. Management has asserted that such documents were properly posted.

Debit

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

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

Advances and Bonuses

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

A reading of the minutes of the district for the year indicated no approval for these type of payments. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which constitute bonuses, advances, or gifts.

* * * * *

The prior year report, dated May 25, 1997, did not include any comments or unresolved matters.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have been reported to you.

This report is intended solely for the use of management of Grand Marais Gravity Drainage 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.



Certified Public Accountant

Jarvis, Louisiana
June 23, 1968

LOUISIANA ATTESTATION QUESTIONNAIRE

May 19, 1998 Date

Hiba B. Gillispie

P.O. Box 3187

Shreveport, LA 71202

(Auditors)

In connection with your completion of our financial statements as of December 31, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:512 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 19, 1998 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 30:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1126.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1118.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 29:1201-14) or the budget requirements of LSA-RS 30:43.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:5, 44:7, 44:21, and 44:35.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 30:460, and/or 30:60, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes No

Debt




It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Board of Commissioners, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 13 of the 1974 Louisiana Constitution, and LSA-RS 47:1412.08.
Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:738, and AGS opinion 79-729.
Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions in the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary		Date
	Treasurer	5-19-98	Date
	President	5-19-98	Date

Note-Civil-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The civil-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
Terrebonne, Louisiana

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1997

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/ Partial Corrective Action Taken	Additional Explanation
N/A	N/A	N/A	N/A	N/A	N/A

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY
 Jennings, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
 For the Year Ended December 31, 1997

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
PF-1	Law Compliance - Budgeting: The District failed to adopt a budget for 1997 as required by the Local Government Budget Act (LSA-RS 49:184-144).	The District will prepare and adopt a budget in November or December of each year in the future as required under the Local Government Budget Act.	Mr. Melvin Leblanc	December 31, 1998

SUPPLEMENTARY INFORMATION

GRAND MARAIS GRAVITY DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID TO COMMISSIONERS
For the Year Ended December 31, 1997

Russell Fontenot	\$	380
C.L. Daigneaux		399
Vincent Berken		399
Coat Compton		399
Matris Loblans		<u>399</u>
Total	\$	<u>1,976</u>