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CAMERON PARISH GRANTY
DRAINAGE DISTRICT NO. 4

ANNUAL FINANCIAL REPORT

DECEMBER 31, 1907

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..... NOV 1 8 1908

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W. Michael Hill, CPA

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

Board of Commissioners
Cameron Parish Gravity Drainage District No. 4

I have audited the accompanying general-purpose financial statements of Cameron Parish Gravity Drainage District No. 4, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of Cameron Parish Gravity Drainage District No. 4's management. My responsibility is to express an opinion on these 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 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. 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 respects, the financial position of Cameron Parish Gravity Drainage District No. 4 as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated July 10, 1998, on my consideration of Cameron Parish Gravity Drainage District No. 4's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Cameron County Drainage District No. 4 taken as a whole. The accompanying financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Louisville, Louisiana
July 10, 1999

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 70066-1287

STATEMENT
DATE PREPARED
BY: 05/08/98

W:\Audit\11061001

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Cameron Parish Gravity Drainage District No. 4

I have audited the general-purpose financial statements of the Cameron Parish Gravity Drainage District No. 4, as of and for the year ended December 31, 1997, and have issued my report thereon dated July 10, 1998. 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 the Cameron Parish Gravity Drainage District No. 4'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 statements amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which are described as follows:

Finding: This audit report is not being issued within the six months of the close of its December 31, 1997 fiscal year-end. This is a violation of LA R.S. 24:512(A)(5)(a).

Management Response: The CPA firm performing the examination of accounts had an external quality review performed in December 1997. Based on the results of that review, a specific letter of comment suggested that, due to the firm's size, the firm should consider retaining another qualified CPA firm to review all governmental type reports prior to issuance to improve its quality control features.

The firm adopted the recommendation, however, implementation and coordination of the pre-issuance review has delayed the release of certain reports until after the statutory deadline. Future reports beginning with the next fiscal year will be issued within the statutory time frame.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Carteron Parish Gravity Drainage District No. 4's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the 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 in relation to the 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. 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 the management. However, this report is a matter of public record and its distribution is not limited.

Greenville, Louisiana
July 10, 1999

Cameron Parish Gravity Drainage District No. 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 1997

I have audited the financial statements of Cameron Parish Gravity Drainage District No. 4 as of and for the year ended December 31, 1997, and have issued my report thereon dated July 10, 1998. 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. My audit of the financial statements as of December 31, 1997 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No

Reportable Conditions Yes No

Compliance

Compliance Material to Financial
Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No N/A

Reportable Conditions Yes No N/A

Type of Opinion On Compliance For Major Programs

Unqualified Qualified

Disclaimer Adverse

N/A

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)?
 Yes No N/A

c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

None

None

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ N/A

Is the audit a "low-risk" audit, as defined by OMB Circular A-133?

Yes No N/A

Section II Financial Statement Findings

1007.1 **Late Filing:** This audit report is not being issued within the six months of the close of its December 31, 1997 fiscal year-end. This is a violation of LA H.S. #24.51-3(A)(5)(a), but does not have any effect on the financial statements. All future reports should be issued within the required time frame.

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1997

	Governmental Fund Types	
	General Fund	Capital Projects
ASSETS		
Cash (Note 2)	\$ 87,598	\$ —
Investments - time certificates of deposit, at cost (Note 2)	—	—
Receivables, (net where applicable, of allowances for uncollectibles) (Note 3)		
Ad valorem tax	38,078	—
State revenue sharing	308	—
Oil & Gas Royalty Receivable	51	—
Fixed assets (Note 4)	—	—
Construction in Progress	—	—
Total assets	\$125,935	\$ —
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 5,000	\$ —
Deductions from taxes	1,317	—
Total liabilities	6,317	—
Fund equity:		
Investment in general fixed assets (Note 4)	—	—
Fund Balances - Unreserved	120,218	—
Total fund equity	120,218	—
Total liabilities and fund equity	\$125,935	\$ —

The accompanying notes are an integral part of this statement.

Account Group General Fixed Assets	Totals (Merchandise, Other) 1987
\$ ---	\$ 87,508
---	---
---	88,678
---	958
---	61
101,847	101,847
-----	-----
<u>\$101,847</u>	<u>\$228,492</u>
\$ ---	\$ 1,023
-----	1,294
-----	-----
-----	8,317
101,847	101,847
-----	129,318
101,847	232,165
-----	-----
<u>\$201,847</u>	<u>\$228,492</u>

**CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**

For the Year Ended December 31, 1997

	General Fund	Capital Projects	Totals (Memorandum Only)
Revenues:			
Ad valorem tax (Note 3)	\$ 30,982	\$ —	\$ 30,982
State revenue sharing (Note 2)	463	—	463
Interest	3,057	1,602	4,659
Payment in lieu of tax	289	—	289
Grant revenue (Note 5)	20,356	—	20,356
Leases and royalties (Note 5)	1,855	—	1,855
Total revenues	<u>73,955</u>	<u>1,602</u>	<u>75,557</u>
Expenditures:			
For debt	550	—	550
Salaries	4,280	—	4,280
Professional fees	1,103	—	1,103
Operating expenses	12,789	—	12,789
Bank service charges	129	81	210
Election expense	5,052	—	5,052
Deductions from ad valorem tax for retirement systems (Note 3)	1,294	—	1,294
Capital Outlay	55,495	—	55,495
Total expenditures	<u>83,712</u>	<u>81</u>	<u>83,793</u>
Excess (deficiency) of revenues over expenditures	(9,757)	1,521	(8,236)
Other financing sources (uses):			
Transfers in	41,730	—	41,730
Transfers out	—	(41,730)	(41,730)
Excess (deficiency) of revenues and other sources over expenditures and other uses	31,973	(40,209)	(8,236)
Fund balances, beginning	86,348	40,209	126,557
Fund balances, ending	\$118,321	\$—	\$118,321

The accompanying notes are an integral part of this statement.

CAMERON PARISH CROWLEY DRAINAGE DISTRICT NO. 4
STATEMENTS OF REVENUES, EXPENDITURES
(BUDGETARY BASIS) AND ACTUAL - GENERAL FUND TYPE
For the Year Ended December 31, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUE			
Ad valorem tax	\$ 37,514	\$ 38,962	\$ 1,458
State revenue sharing	400	468	68
Interest	2,010	3,067	1,057
Payment in lieu of tax	200	200	—
Grant revenue	—	20,258	20,258
Permits	600	—	(600)
License and royalties	2,428	1,805	(623)
Total revenues	<u>44,252</u>	<u>73,665</u>	<u>29,703</u>
Expenditures:			
Per diem	550	560	—
Salaries	4,380	4,580	—
Professional fees	5,000	1,100	3,900
Operating expenses	16,000	12,769	3,231
Bank service charges	—	122	(122)
Electric expense	17,000	5,052	11,948
Deductions from ad valorem tax for retirement systems	1,295	1,294	1
Capital outlay	63,500	66,445	(2,945)
Total expenditures	<u>97,725</u>	<u>83,715</u>	<u>14,011</u>
Excess (deficiency) of revenues over expenditures	(53,473)	(9,750)	43,714
Other financing sources (uses):			
Transfers in	41,730	41,730	—
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11,743)	31,970	43,714
Fund balance, beginning	<u>88,348</u>	<u>88,348</u>	<u>—</u>
Fund balance, ending	<u>\$ 76,604</u>	<u>\$120,318</u>	<u>\$ 43,714</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
December 31, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Police Jury is a political subdivision of the State of Louisiana. Cameron Parish Police Jury is the reporting entity for Cameron Parish as defined by MOGA Statement 3, (Defining the Governmental Reporting Entity).

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

Cameron Parish Gravity Drainage District No. 4 (the District) is a component unit of Cameron Parish Police Jury as defined by GASB codification Section 2100. The District was created by the Cameron Parish Police Jury as authorized by Louisiana Revised Statute 33:1751. The District is governed by a board of five commissioners appointed by Cameron Parish Police Jury and is authorized to construct, maintain and improve the system of drainage within the District.

A. FUND ACCOUNTING

The accounts of the Cameron Parish Gravity Drainage District No. 4 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 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 - Maintenance Fund

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Capital Project Fund

The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the General Maintenance Fund.

B. CASH AND CASH EQUIVALENTS

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits with maturities of three months or less.

C. 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. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair market value on the date donated.

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

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenues

Ad valorem taxes and the related State Revenue Sharing (which is based on population and households in the parish) are recorded in the year the taxes are assessed.

Federal and State grants are recorded when the district is entitled to the funds.

Interest income on investments is recorded when the investments 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. An exception to this general rule is principal and interest on long-term debt is recognized when due.

E. BUDGETARY PRACTICES

The Cameron Parish Gravity Drainage District No. 4 utilizes the following budgetary practice:

Annually the District adopts a budget for each governmental fund type as a management device for control of revenues and expenses. The budget is amended at various times during the year as the need arises.

F. INVESTMENTS

Investments are stated at cost. These investments are time deposits which are fully secured through the pledge of bank-owned securities or federal deposit insurance.

CAMERON PARISH CRATVY DRAINAGE DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

G. VACATION AND SICK LEAVE

The District does not have any full time employees; therefore, the District does not have a policy on vacation and sick leave.

H. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined 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, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2- CASH AND INVESTMENT COLLATERAL

At December 31, 1997, the bank balance of the District's cash and investments was \$87,598 and the book balance was \$87,598. Of the combined bank balance, \$87,598 was covered by federal depository insurance and none was uncollateralized.

NOTE 3- RECEIVABLES

Receivables at December 31, 1997 consist of ad valorem taxes receivable. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Cameron Parish Sheriff bills and collects property taxes using the assessed values determined by the tax assessor of Cameron Parish.

For the year ended December 31, 1997 taxes of 2.40 mills were levied on property with assessed valuation totaling \$11,536,974 and were dedicated entirely for the specified purpose of the District.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4--CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in fixed assets as of December 31, 1997:

	Land	Furniture, fixtures, & equipment	Const. in progress	Total
Balance, 12/31/95	\$ 10	\$ 9,284	\$ 24,108	\$ 43,402
Additions	—	52,553	—	52,553
Deletions	—	—	(24,108)	(24,108)
Balance, 12/31/97	\$ 10	\$101,837	\$ —	\$101,847

NOTE 5--PENSION PLAN

The District does not participate in any pension plans or the social security program.

NOTE 6--LEASES

The District does not have any capital leases recorded as assets in the accompanying financial statements. The District has operating leases of the following nature and are appropriately recorded as such:

Description of Lease	Term of Lease	Annual Payment
Oil, gas, & mineral	1-3 years	percentage basis

NOTE 7--LITIGATION

The District is not involved in any type litigation nor does it have any asserted claims against it.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8-GRANT REVENUE

The District received \$29,359 from the Cameron Parish Police Jury for mitigation money which had been placed into a wetlands restoration trust fund in the early 1960s. The primary usage was required to be within the boundaries of Cameron Gravity District No. 4, thus the Police Jury gave the District these funds to utilize.

Schedule 3

GAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

COMPENSATION OF BOARD MEMBERS

For the year ended December 31, 1997

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1997 session of the Legislature.

As provided by Louisiana Revised Statute 33:450-4, the board members received \$50 per diem for attendance at meetings of the board.

	<u>Number Attended</u>	<u>Amount</u>
Arnos Vincent	11	<u>\$ 550</u>

See independent auditor's report.

Cameron Parish Gravity Drainage District No. 4
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 1997

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with the prior year audit report.

Cameron Parish Gravity Drainage District No. 4
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 1997

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENT**

1997.1 Bonnie Conner, District Clerk, will closely monitor the timely completion of the December 31, 1998 audit by June 30, 1999 and require the auditor to complete it in a timely fashion.

SECTION II **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

NA

SECTION III **MANAGEMENT LETTER**

NA