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COULTE KINNEY DRAINAGE DISTRICT

FINANCIAL REPORT

DECEMBER 31, 1988

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 11 1989

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the Honorable Roger J. Griffin  
and the Board of Commissioners  
Cousins Kinsey Drainage District

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Cousins Kinsey Drainage District taken as a whole. The schedule listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Cousins Kinsey Drainage District. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

*Broussard, Roche, Lewis & Breaux LLP*

Crowley, Louisiana  
May 3, 2008

COULDER KIRBY BRANCHES DISTRICT  
VERMILION POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1978

ASSETS AND OTHER DEBITS	Governmental Fund Types		
	General Fund	Debt Service Fund	Capital Projects Fund
Cash	\$ 74,883	\$ 13,847	\$385,400
Certificates of Deposit	-	84,481	-
Receivables	216,424	68,543	-
Land, equipment, and buildings	-	-	-
Amount available in debt service fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
<b>Total assets and other debits</b>	<b>\$291,307</b>	<b>\$266,871</b>	<b>\$385,400</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES:</b>			
deductions from ad valorem	\$ 4,743	\$ 3,118	\$ -
Other payables	3,000	-	4,328
Bonds payable	-	-	-
<b>Total liabilities</b>	<b>\$ 7,743</b>	<b>\$ 3,118</b>	<b>\$ 4,328</b>
<b>Fund equity:</b>			
Investment in general fixed assets	\$ -	\$ -	\$ -
<b>Fund balances:</b>			
Reserved for debt service	\$ -	\$128,413	\$ -
Unreserved - unassigned	281,307	-	378,372
<b>Total fund balances</b>	<b>\$281,307</b>	<b>\$128,413</b>	<b>\$378,372</b>
<b>Total liabilities and fund equity</b>	<b>\$291,307</b>	<b>\$266,871</b>	<b>\$385,400</b>

(See Notes to Financial Statements.)

Assets Group

General Fixed Assets	General Long-Term Debt	Total Memorandum Value
\$ -	\$ -	\$ 280,110
-	-	54,400
-	-	200,100
758,000	-	758,000
-	139,414	139,414
<u>          </u>	<u>      882,380</u>	<u>      882,380</u>
<u>\$ 758,000</u>	<u>\$ 882,380</u>	<u>\$1,640,380</u>
\$ -	\$ -	\$ 8,977
-	-	7,431
<u>          </u>	<u>      800,000</u>	<u>      808,408</u>
<u>\$          </u>	<u>\$ 800,000</u>	<u>\$ 817,385</u>
<u>\$ 758,000</u>	<u>\$          </u>	<u>\$ 758,000</u>
\$ -	\$ -	\$ 139,400
-	-	482,300
<u>          </u>	<u>          </u>	<u>\$ 621,700</u>
<u>\$ 758,000</u>	<u>\$ 800,000</u>	<u>\$1,558,000</u>

COLLEGE HEBBET DRAINAGE DISTRICT  
VERILION ILLINOIS POLICE JURY

COMBINED STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR Ended December 31, 1998

	General Fund	2024 Police Fund	Capital Projects Fund	Total (Interfund Only)
<b>Revenues:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 224,001	\$ 50,042	\$ -	\$ 274,043
Intergovernmental:				
State Property Sharing	48,375	-	-	48,375
Other	3,352	4,273	3,352	11,027
Total revenues	\$ 275,728	\$ 54,315	\$ 3,352	\$ 333,395
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public works drainage:</b>				
Salaries	\$ 110,527	\$ -	\$ -	\$ 110,527
compensation paid to board of commissioners	8,969	-	-	8,969
office	3,035	-	-	3,035
Accounting and legal	4,386	-	-	4,386
misc	3,089	-	-	3,089
insurance	12,779	-	-	12,779
Group Insurance	8,522	-	-	8,522
Payroll tax	12,813	-	-	12,813
Uncollected taxes	5,483	1,523	-	7,006
Equipment rental	4,000	-	-	4,000
Gas and oil	12,324	-	-	12,324
Material and supplies	3,023	-	-	3,023
Repairs and maintenance	41,386	-	22,823	64,209
Utilities	853	-	-	853
Pension Deduction	4,742	2,125	-	6,867
Other	3,513	3,098	12	6,623
Capital outlay	228	-	482,288	482,516
<b>Debt service:</b>				
Principal payments	-	25,680	-	25,680
Interest and fiscal charges	-	42,783	-	42,783
Total expenditures	\$ 242,925	\$ 72,621	\$ 482,400	\$ 797,946

CPWA 10/98/0



COOPER STREET DRAINAGE DISTRICT  
VERMILION PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUNDS YEARS 1999/2000  
Year Ended December 31, 1999

	General <u>Fund</u>	PWS Service <u>Fund</u>	Capital Projects <u>Fund</u>	Total (Memorandum Only)
Excess (deficiency) of revenues over expenditures before other financing sources used	\$ 28,843	\$ 4,543	\$ 1499,450	\$ 1532,836
Fund balances, beginning	<u>215,622</u>	<u>124,824</u>	<u>818,822</u>	<u>1,159,268</u>
Fund balances, ending	<u>\$ 244,465</u>	<u>\$ 129,367</u>	<u>\$ 1318,272</u>	<u>\$ 1592,104</u>

SEE NOTES TO FINANCIAL STATEMENTS.

COLLEGE KIRBY DRAMA DISTRICT  
 VERMILION PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year ended December 31, 1997

	General Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
<b>Revenues:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 278,247	\$ 47,007	\$ -	\$ 325,254
<b>Intergovernmental:</b>				
State revenue sharing	42,456	-	-	42,456
Other	4,824	2,152	2,682	9,658
<b>Total revenues</b>	<b>\$ 325,527</b>	<b>\$ 49,159</b>	<b>\$ 2,682</b>	<b>\$ 377,368</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public works drainage:</b>				
Salaries	\$ 47,204	\$ -	\$ -	\$ 47,204
Compensation paid to board of commissioners	8,320	-	-	8,320
Contract labor	14,711	-	-	14,711
Office	2,447	-	-	2,447
Accounting and legal	2,745	-	-	2,745
Rent	2,280	-	-	2,280
Election costs	-	-	8,897	8,897
Bond issue costs	-	-	12,897	12,897
Interest	18,288	-	-	18,288
Group insurance	4,542	-	-	4,542
Payroll tax	4,828	-	-	4,828
Unallocated taxes	2,714	475	-	3,189
Equipment rental	47,428	-	-	47,428
Gas and oil	4,442	-	-	4,442
Material and supplies	93	-	-	93
Repairs and maintenance	9,145	-	-	9,145
Utilities	22	-	-	22
Pension deduction	4,297	2,140	-	6,437
Other	889	1,057	54	2,000
<b>Debt service:</b>				
Principal retirements	-	22,468	-	22,468
Interest and fiscal charges	-	12,522	-	12,522
<b>Total expenditures</b>	<b>\$ 244,827</b>	<b>\$ 35,057</b>	<b>\$ 12,951</b>	<b>\$ 292,835</b>

Other (over)

CORLAKE KIMBEY BRIDGES DISTRICT  
 VERMILION POLICE POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND FINANCES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUNDS TYPES (CONTINUED)  
 Year Ended December 31, 1997

	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	\$ 80,742	\$ 25,256	\$ 121,000	\$ 327,000
Other financing sources (uses): Bond issue proceeds	-	-	700,000	700,000
Excess of revenues and other financing sources over expenditures and other uses	\$ 80,742	\$ 25,256	\$ 878,000	\$ 984,000
Fund balances, beginning	<u>208,015</u>	<u>22,500</u>	<u>          </u>	<u>230,515</u>
Fund balances, ending	<u>\$ 288,757</u>	<u>\$ 47,756</u>	<u>\$ 878,000</u>	<u>\$ 1,214,513</u>

See Notes to Financial Statements.

DOUGLAS KIRBY DRAINAGE DISTRICT  
VERMILION PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Summary of Significant Accounting Policies

The Douglas Kirby Drainage District of Vermilion Parish was created under the authority of Louisiana Revised Statutes 18:1761-1800. The District is situated in southeast Vermilion Parish and was created on September 8, 1984, for the purpose of opening and maintaining all natural drains in the district, whose drainage is accomplished using the natural force of gravity. This may be accomplished by cutting and opening new drains, ditches, and canals. As provided by Louisiana Revised Statute 18:1768, the district is governed by five commissioners. These five commissioners are collectively referred to as the board of commissioners and are appointed by the Vermilion Parish Police Jury.

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 governmental entities. All GAMB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

GASB Codification Section 1100 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

Because the Police Jury appoints the governing board and can influence the scope of public service, the Drainage District was determined to be a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying general purpose financial statements present information only on the funds maintained by the district and do not present information on the parish police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

## NOTES TO FINANCIAL STATEMENTS

### Fund Accounting:

The District is organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprises the assets, liabilities, fund equity, revenues, and expenditures. The general fund is the general operating fund of the District and accounts for all of its current operating activities. The debt service fund accounts for the accumulation of resources to be used for the payment of long-term debt and for the payment of the debt. The capital projects fund accounts for the accumulation of resources to be used for the purpose of acquiring, constructing and improving the District's drainage works.

### General fixed assets and long-term obligations:

Fixed assets are accounted for in the general fixed assets account group, rather than in the general fund. Public domain or infrastructures are not capitalized. All fixed assets are valued at historical cost. No depreciation has been provided on fixed assets.

Long-term obligations are accounted for in the general long-term debt account group, not in the general fund. The account groups are not funds. They are recorded only with the measurement of financial position and do not involve measurement of results of operations.

### 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 measurements made, regardless of the measurement focus applied. The District's accounts are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

#### Revenues:

Ad valorem taxes and state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis. Income due on November 15 of each year and income delinquent by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income represents amounts earned on checking accounts and certificates of deposit invested with financial institutions. Interest earned is recorded when received.

## NOTES TO FINANCIAL STATEMENTS

### 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 is recognized when due.

### Budget provisions:

Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Governmental Budget Act. The Calcasieu Parishes Drainage District of Vermilion Parish was created September 2, 1914, and, accordingly, is exempt from budgetary requirements. Management has determined that, due to the amount and nature of the expenditures, the adoption of a budget is not required for control purposes. The District did not adopt a budget for the year ended December 31, 1988. Therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budgets.

### Cash and investments:

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 and national banks having their principal offices in Louisiana.

### Vacation, sick leave, and pension plan:

Full-time employees of the District with more than one year of service are allowed two weeks of vacation leave each year; full-time employees with one year's service or less are allowed one week of vacation leave each year. Full-time employees are allowed ten days sick leave a year and can accumulate no more than twenty days in total. The Drainage District has no pension plan. Sickness and sick leave may not be accumulated and carried into future years. At December 31, 1988, there are no accumulated vacation or sick leave benefits that require accrual or disclosure to conform with generally accepted accounting principles.

### Total columns on financial statements:

The total columns on the financial statements are captioned "Memorandum Only" to indicate it is presented only to facilitate financial analysis. The data in these columns does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a reconciliation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS

Note 2. Levied Tax Millages

The following is a summary of levied ad valorem tax millages:

	1998	1997
General corporate purposes:		
Operations & maintenance	<u>14.50</u>	<u>14.50</u>
Debt service	<u>4.75</u>	<u>4.75</u>

Note 3. Changes in General Fixed Assets

The following is a summary of changes in general fixed assets for the two years ending December 31, 1998.

Balance, December 31, 1996	4288,123
Additions - 1997 and 1998	490,570
Deletions - 1997 and 1998	<u>          </u>
Balance, December 31, 1998	<u>4778,693</u>

Note 4. Cash and Cash Equivalents

Cash and certificates of deposit are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit institutions on 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 on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of cash and investments at December 31, 1998, with the related federal deposit insurance and pledged securities:

	BANK BALANCE	FED INSURANCE	Balance INVESTMENT
Demand deposits	\$ 279,421	\$120,847	\$ 400,268
Certificates of deposit	<u>33,381</u>	<u>20,382</u>	<u>          </u>
	<u>\$ 312,802</u>	<u>\$141,229</u>	<u>\$ 400,268</u>
Securities pledged and held by the custodial bank in the bank's name (contingent liability)			<u>(141,229)</u>
Reserve of FDIC insurance plus pledged securities over checking and non-checking activities			<u>\$120,847</u>

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Changes in General Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the two years ended December 31, 1999:

Balance, December 31, 1998	\$ 145,000
Additions - 1997 - issuance of bonds	740,000
Reductions - 1997 - principal payments on bonds	(80,000)
Reductions - 1998 - principal payments on bonds	(112,000)
Balance, December 31, 1999	<u>\$453,000</u>

General obligation bonds of the District are comprised of the following individual issues:

Date of Issue	Original Issue	Interest Rate	Maturity Date	Interest to Maturity	Principal Outstanding
07-01-88	\$200,000	7.875-7.875	08-01-2008	\$ 3,300	\$ 60,000
04-01-88	\$100,000	7.250-10.250	08-01-2008	37,000	60,000
10-01-97	\$740,000	4.125-8.000	05-01-2017	<u>412,000</u>	<u>383,000</u>
				<u>\$452,300</u>	<u>\$453,000</u>

7 1/2 annual requirements to amortize all bonds outstanding at December 31, 1999, including interest of \$443,380 follows:

Fiscal year:	
1999	\$ 87,040
2000	88,374
2001	87,488
2002	88,475
2003	87,989
2004 - thereafter	<u>871,000</u>
Total	<u>\$1,848,326</u>

The general obligation bonds were issued for the purpose of constructing and maintaining drainage work in and for the drainage district and are funded by a property tax on all taxable property within the drainage district.



NOTES TO FINANCIAL STATEMENTS

Note 6. Year 2000 Issue

The District is currently in the "Awareness stage" in relation to the Year 2000 issue. The District's management has begun to assess the impact of year 2000 on the operations of the District. As of December 31, 1999, the amount of work involved and resources required, if any, to become year 2000 compliant has not been determined.

Note 7. Receivables

The following is a summary of receivables at December 31, 1999:

	General	Debt
	<u>Fund</u>	<u>Fund</u>
ad valorem tax	8896,018	1,403,160
State revenue sharing	<u>20,000</u>	<u>        </u>
	<u>8916,018</u>	<u>1,403,160</u>

Note 8. Litigation

The District is a defendant in a wrongful death case. The court assessed damages and found the District to be twenty-five percent (25%) at fault. This has resulted in a judgment against the District that has a present value, with interest, of approximately \$48,000.

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#### **SUPPLEMENTAL INFORMATION**

COULDS KIRBY DISTRICT  
 HAMILTON PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS  
 Two Years Ended December 31, 1936

	1935	1936
Gilbert Rodin	\$ 3,300	\$ 3,750
Wesley Vincent	3,300	3,750
Wayne Griffin, Jr.	3,300	3,750
Whitney Dalton	3,000	3,420
Gren Demail	120	1,488
John Andrew	120	"
W. J. Gossman, Jr.	740	"
Bradley Dalton	<u>3,240</u>	<u>3,240</u>
Total	<u>\$ 23,200</u>	<u>\$ 24,398</u>

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 51 of the 1935 Session of the Louisiana Legislature.

The per diem paid to board members is included in the expenditures of the general fund. In accordance with Louisiana Revised Statute 18:1194, each member of the board receives 40c for each day of attendance at meetings of the board, not to exceed 25 days each year and for each day spent in the service of the board.



**HOUSSHAUD, POCHE, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

Shreveport, LA  
70501-0000  
Bossier Parish, LA  
70515-0000  
Mandeville, LA  
70448-0000  
New Orleans, LA  
70112-0000  
Thibodaux, LA  
70561-0000  
Eunice, LA  
70532-0000

The Honorable Mayor J. Griffin  
and the Board of Commissioners  
Cousins Kinney Drainage District  
Abbeville, Louisiana

We have audited the general purpose financial statements of Cousins Kinney Drainage District of Vermilion Parish, a component unit of the Vermilion Parish Drainage Jury, as of and for the two years ended December 31, 1998, and have issued our report thereon dated May 4, 1999. We conducted our 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 Cousins Kinney Drainage District's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control over financial reporting**

In planning and performing our audit, we considered Cousins Kinney Drainage District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters relating to our interests relating to significant deficiencies in the design or operation of the internal control over financial reporting that

MEMBERSHIP AND BOARD OF  
DIRECTORS  
OFFICE OF THE COMPTROLLER  
GENERAL OF THE UNITED STATES

The Honorable Deyer J. Griffin  
and the Board of Commissioners  
Culdes Kinsey Drainage District

In our judgment, could adversely affect Culdes Kinsey Drainage District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we considered the reportable condition described above, item 98-1, to be a material weakness.

This report is intended for the information of management and the legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Broussard, Potts, Lewis & Kearney LLP*

Crowley, Louisiana  
May 7, 1999

CONLEY WINNEY DRAINAGE DISTRICT  
ABBEVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Two Years Ended December 31, 1988

We have audited the financial statements of Conley Winney drainage district of Morrison Parish, as of and for the two years ended December 31, 1988, and have issued our report thereon dated May 7, 1989. We conducted our 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. Our audit of the financial statements as of December 31, 1988 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**

The District did not receive any Federal awards for the two years ended December 31, 1988.

**Section II Financial Statements Findings**

**FF-1 Segregation of Duties**

**Findings:** In reviewing the internal control over financial reporting, we noted that there was an inadequate segregation of duties.

**Cause:** Due to the limited number of personnel performing administrative functions, the same person writes checks, checks the bank, reconciles the bank statement and enters information into the general ledger.

**Recommendation:** We recommend that duties be segregated in such a way as to facilitate an adequate segregation of duties.

**Response:** The Board has evaluated this inadequacy and has concluded that the District cannot afford to hire more administrative employees due to the District's limited resources. The costs would exceed the benefits.

**QUESTIONED COSTS:**

COLEBURN STATION DRAINAGE DISTRICT  
ARRESTVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
TWO YEARS ENDED DECEMBER 31, 1998

Section III Federal Award Findings and Questioned Costs

The district did not receive any federal awards for the two years ended December 31, 1998.



COLLEGE PARKWAY INSURANCE DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
Two Years Ended December 31, 1958

I. Internal Control and Compliance Material to the Financial Statements

1094 - General Administration

Findings: In reviewing the internal control structure, we noted inadequate segregation of duties exists.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Current status: An inadequate segregation of duties still exists. The Board has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation. This finding is dismissed in the current schedule of findings and questioned costs as item 98-2.

II. Internal Control and Compliance Material to Federal Awards

The prior year's report did not disclose any findings relative to federal awards.

III. MANAGEMENT LETTER

The prior year's report did not include a management letter.



**BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

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May 7, 1999

The Honorable Deane J. Griffin  
and the Board of Commissioners  
Cadee Binney Strainage District  
Bossierite, Louisiana

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We have audited the general purpose financial statements of Cadee Binney Strainage District, a component unit of the Terrestrial Parish Police Jury, as of and for the two years ended December 31, 1998, and have issued our report thereon dated May 7, 1999. We conducted our 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.

As part of our examination, we have issued our report on the financial statements, dated May 7, 1999, and our report on internal control and compliance with laws, regulations, and contracts, dated May 7, 1999.

During the course of our examination, we became aware of the following matter which represents an immaterial deviation of compliance or suggestion for improved internal controls:

**Suggestion 1998-1: Board Member Compensation**

**Condition:** According to Internal Revenue Code § 31.3402(c)-3, "...difficulties... whether elected or appointed..." are included in the definition of employee. Therefore, any board member is considered an employee of the District for tax purposes and the compensation paid to them is subject to social security (if not a member of a retirement system), Medicare (if the board member was appointed or reappointed after March 31, 1980), and federal and state income tax withholding in 1997 and 1998.

**Cause:** Compensation paid to board members is reported to them at year-end using Form 1099. No taxes are withheld from these amounts or paid by the District on these amounts.

**Effect:** The District is not withholding taxes from the board's compensation payments or remitting tax payments as required by the Internal Revenue Service.

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County Winney Drainage District  
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Recommendation: We recommend that payments to the Board be subject to taxes and withholdings as are employee payments. Each board member should be required to complete a Form W-4 annually.

We recommend management address the foregoing issue as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendation.

BROUSSARD, POCHÉ, LEWIS & BRANT, L.L.P.  
Certified Public Accountants

*Broussard, Poché, Lewis & Brant, L.L.P.*

CORLAS HENRY HOLDINGS DISTRICT  
OF VERMONT INCORPORATED

MANAGEMENT'S CERTIFICATE ACTION PLAN  
Two Years Ended December 31, 1998

**Section I. Internal Control and Compliance Material to the Financial Statements**

**1998-3 Segregation of Duties**

**Finding:** In reviewing the internal control over financial reporting, we noted that there was an inadequate segregation of duties.

**Cause:** Due to the limited number of personnel performing administrative functions, the same person writes checks, checks the mail, reconciles the bank statement and enters information into the general ledger.

**Recommendation:** We recommend that duties be segregated in such a way as to facilitate an adequate segregation of duties.

**Response:** The Board has evaluated this inadequacy and has concluded that the District cannot afford to hire more administrative employees due to the District's limited resources. The costs would exceed the benefits. The Board feels that its requirement of two signatures on all checks as well as the oversight of the Treasurer should help compensate for the inadequate segregation of duties.

**Qualified issue:** Yes.

**Section II. Internal Control and Compliance Material to Federal Awards**

The District did not receive any Federal awards for the two years ended December 31, 1998.

**Section III. Management Letter**

**1998-3 Board Member Compensation**

**Condition:** According to Internal Revenue Code § 15.1402(a)-3, "...officers... whether elected or appointed..." are included in the definition of employee. Therefore, any board member is considered an employee of the District for tax purposes and the compensation paid to them is subject to social security (if not a member of a retirement system), Medicare (if the board member was appointed or re-appointed after March 31, 1991), and federal and state income tax withholding in 1997 and 1998.

**Cause:** Compensation paid to board members is reported to them at year-end using Form 1099. No taxes are withheld from these amounts or paid by the District on these amounts.

**Effect:** The District is not withholding taxes from the board's compensation payments or remitting tax payments as required by the Internal Revenue Service.

COULDS BIRNEY BRIDGE DISTRICT  
OF VERMILION PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)  
Two Years Ended December 31, 1998

Section III. Management Letter (continued)

1998-1 Board Member Compensation

Recommendation: We recommend that payments to the Board be subject to taxes and withholdings as are employee payments. Each board member should be required to complete a Form W-4 annually.

Response: The District will begin withholding and remitting applicable payroll taxes from board compensation immediately.

Responsible party: Wayne J. Griffin, President