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BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

FINANCIAL REPORT

DECEMBER 31, 1998

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Release Date 7-28-99

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

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INDEPENDENT ACCOUNTANT'S REPORT

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Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District  
Egan, Louisiana

We have compiled the accompanying general-purpose financial statements of Bayou des Cannes - Nezpique Gravity Drainage District, as of and for the year ended December 31, 1998, as listed in the table of contents in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Lawrence A. Cramer, CPA\*  
Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemaire II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Babineaux, CPA\*  
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Michael P. Crochet, CPA\*  
George J. Trappey III, CPA\*  
Daniel E. Gilder, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*

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

*BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.*

Crowley, Louisiana  
June 28, 1999

*Retired:*  
Sidney E. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Emma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1997

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1998  
See Accountant's Compilation Report

	<u>Governmental Funds</u>
	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 54,838
Investments, at cost	100,000
Receivables	<u>260,822</u>
Total assets	<u>\$ 415,660</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	\$ 7,605
Fund balance:	
Unreserved - undesignated	<u>408,055</u>
Total liabilities and fund equity	<u>\$ 415,660</u>

See Notes to Financial Statements.

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 1998  
See Accountant's Compilation Report

	<u>General Fund</u>
Revenues:	
Taxes:	
Ad valorem	\$ 244,303
Intergovernmental:	
State revenue sharing	16,519
Other	<u>5,539</u>
Total revenues	<u>\$ 266,361</u>
Expenditures:	
Current:	
Public works - drainage:	
Compensation paid to board of commissioners	\$ 3,480
Contract labor	2,273
Engineer fees	35,640
Insurance	2,308
Secretary fees	2,400
Office expense	718
Pension (ad valorem deduction)	7,605
Uncollected taxes	10,212
Other	525
Debt service:	
Principal retirements	25,000
Interest and fiscal charges	<u>1,132</u>
Total expenditures	<u>\$ 91,293</u>
Excess of revenues over expenditures	\$ 175,068
Fund balance, beginning	<u>232,987</u>
Fund balance, ending	<u>\$ 408,055</u>

See Notes to Financial Statements.

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)  
AND ACTUAL - GENERAL FUND  
Year Ended December 31, 1998  
See Accountant's Compilation Report

	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem	\$ 205,000	\$ 244,303	\$ 39,303
Intergovernmental:			
State revenue sharing	15,000	16,519	1,519
Other	<u>8,500</u>	<u>5,539</u>	<u>(2,961)</u>
Total revenues	<u>\$ 228,500</u>	<u>\$ 266,361</u>	<u>\$ 37,861</u>
Expenditures:			
Current:			
Public works - drainage:			
Compensation paid to board of commissioners	\$ 3,600	\$ 3,480	\$ 120
Contract labor	4,200	2,273	1,927
Engineer fees	50,000	35,640	14,360
Insurance	2,308	2,308	-
Secretary fees	2,400	2,400	-
Advertising	1,000	-	1,000
Auditing	2,000	-	2,000
Construction cost	150,000	-	150,000
Maintenance	10,000	-	10,000
Office expense	132	718	(586)
Pension (ad valorem deduction)	-	7,605	(7,605)
Uncollected taxes	-	10,212	(10,212)
Other	-	525	(525)
Debt service:			
Principal retirements	-	25,000	(25,000)
Interest and fiscal charges	<u>-</u>	<u>1,132</u>	<u>(1,132)</u>
Total expenditures	<u>\$ 225,640</u>	<u>\$ 91,293</u>	<u>\$ 134,347</u>
Excess of revenues over expenditures	\$ 2,860	\$ 175,068	\$ 172,208
Fund balance, beginning	<u>232,987</u>	<u>232,987</u>	<u>-</u>
Fund balance, ending	<u>\$ 235,847</u>	<u>\$ 408,055</u>	<u>\$ 172,208</u>

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

As provided by Louisiana Revised Statute 38:1758, the Bayou des Cannes - Nezpique Gravity Drainage District of Acadia Parish is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by Acadia Parish Police Jury. The Drainage District was created under the authority of Louisiana Revised Statutes 38:1751-1802 and was established for the purpose of opening and maintaining all natural drains in the district.

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 GASB 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 2100 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 Acadia 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 Drainage District and do not present information on the 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  
See Accountant's Compilation Report

Fund accounting:

The Drainage District uses funds to report on its financial position and results of 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. The District uses the following fund:

General Fund:

The general fund is classified as a governmental fund. Governmental funds account for the Drainage District's general activities, including the collection and disbursement of specific or legally restricted monies. The general fund is the general operating fund of the Drainage District and accounts for all financial resources except those required to be accounted for in other funds.

General Fixed Assets and General Long-Term Obligations:

The Drainage District does not have any fixed assets or long-term obligations.

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 Drainage 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, become due on November 15 of each year, and become delinquent by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

The following is a summary of levied ad valorem taxes:

General corporate purposes:

Operations and maintenance	<u>11.56</u> mills
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NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Expenditures:

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

Budget practices:

The Drainage District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Due to the fact that expenditures do not exceed \$250,000, it is not necessary to have a public hearing.
3. The budget is then legally enacted through passage of an ordinance.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. All budget appropriations lapse at year-end.

Expenditures may not legally exceed budgeted appropriations at the individual fund level by more than 5%.

Cash and certificates of deposit:

Under state law, the Drainage 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.

These deposits (or the resulting bank balances) must be secured by federal insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus federal insurance must at all times equal the amount on deposit with the federal agent. Deposits (bank balances) totaling \$158,057 at December 31, 1998, are fully secured by federal deposit insurance and pledged securities with a market value of \$100,688 on December 31, 1998.

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 2. Receivables

The following is a summary of receivables at December 31, 1998:

<u>Class of Receivables</u>	<u>General Fund</u>
Ad valorem taxes	\$244,303
State revenue sharing	<u>16,519</u>
Total	<u>\$260,822</u>

Note 3. Board of Commissioners

Board members receive \$60 per diem for attendance at meetings of the board. The board members received the following compensation during 1998:

Troy Fruge	\$ 840
Earl Garber	800
Earl Toups	500
Burley Cart	840
Edwin Simar	<u>500</u>
Total	<u>\$ 3,480</u>



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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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Eunice, LA  
(318) 457-0071

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District  
Egan, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Bayou des Cannes - Nezpique Gravity Drainage District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Bayou des Cannes - Nezpique Gravity Drainage District's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying *Louisiana Attestation 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 \$15,000, or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000, or expenditures made 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 employees, as well as their immediate families.

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

Lawrence A. Cramer, CPA\*  
Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert LeMoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
I. Charles Abshire, CPA\*  
Kenneth R. Dupas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Bonello, CPA\*  
Michael P. Crochet, CPA\*  
George J. Trappey III, CPA\*  
Daniel E. Gilder, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*

**Retired:**

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erna R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
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Public Accountants

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District

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

The Drainage District had no employees during the period under examination.

4. Determine whether any of those 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.

The Drainage District had no employees during the period under examination.

#### ***Budgeting***

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

Management provided us with a copy of the legally adopted budget. There were no amendments to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minutes of a meeting held on December 29, 1998, which indicated that the budget had not been adopted by the Board of Commissioners of the Drainage District prior to the commencement of the 1998 fiscal year.

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 exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not vary from budgeted amounts by more than 5%.

#### ***Accounting and Reporting***

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

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

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

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District

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

All six of 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.

**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 42:12 (the open meetings law).

The Drainage District had placed a notice of each meeting in the calendar of public events, on display at the Drainage District's meeting place. Management has asserted that this calendar was properly posted.

**Debt**

- 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.

We scanned copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, 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.

The Drainage District had no employees during the period under examination.

**Prior Comments and Recommendations**

None.

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District

This report is intended solely for the use of management of Bayou des Cannes - Nezpique 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.

*BROUSSARD, ROCHE, LEWIS & BREANT, L.L.P.*

Crowley, Louisiana  
June 28, 1999

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 1998

We have compiled the accompanying general-purpose financial statements of the Bayou des Cannes - Nezpique Gravity Drainage District of Acadia Parish, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 28, 1999. The statements were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

**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

Not applicable

c. Identification of Major Programs

Not applicable

**Section II. Financial Statement Findings**

98-1 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 Drainage District cannot afford to hire more administrative employees due to the Drainage District's limited resources. The costs would exceed the benefits.

Questioned costs: \$ -0-

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended December 31, 1998

98-2 Budget Adoption

Finding: The 1998 budget was not adopted in accordance with LSA-RS 39:1308, adopting the budget prior to the start of the year.

Cause: The Board failed to adopt the 1998 budget before the beginning of fiscal year 1998.

Recommendation: We recommend that in the future, the Board take every possible action to ensure that it adopts a budget for the coming year prior to the end of the current year.

Response: The Board has been made aware of the need to adopt it's budget in a timely fashion and has made steps to comply. Accordingly, the budget for fiscal year 1999 was adopted prior to the start of 1999.

Questioned cost: \$-0-

**Section III. Federal Award Findings and Questioned Costs**

Not applicable.



BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 1998

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

None

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

None

**Section III. Management Letter**

None

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

06/28/99 Date

BROUSSARD, POCHE<sup>r</sup>, LEWIS & BREAUX, L.L.P.

122 EAST 5TH STREET

POST OFFICE BOX 307

CROWLEY, LOUISIANA 70527-0307

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 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 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, 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 42:1101-1124.

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 42:1119.

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

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 44:1, 44:7, 44:31, and 44:36.

Yes [  ] No [  ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, 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 Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60..

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 14:138, and AG opinion 79-729.

Yes [  ] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to 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.

Kenneth M. Webb  Secretary  6-28-99  Date

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

Jay Lunge  President  6-28-99  Date

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 1998

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

98-1 Segregation of Duties

The Board has evaluated this inadequacy and has determined the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation of duties.

98-2 Budget Adoption

The Board has taken steps to ensure the budget for 1999 was adopted prior to the start of the fiscal year.

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

The compilation/attestation report contained no findings concerning federal awards.

**Section III. Management Letter**

The compilation/attestation report contained no separate management letter.

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Responsible Party: Kenneth Webb, Secretary-Treasurer