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CAMERON PARISH GRAVITY
DRAINAGE DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
December 31, 1998

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Release Date ~~001~~ 2 1999

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W. Micheal Elliott, CPA

Board of Commissioners
Cameron Parish Gravity Drainage District No. 8

I have compiled the accompanying general purpose financial statements, as listed in the table of contents, of the Cameron Parish Gravity Drainage District No. 8 as and for the year ended December 31, 1998, and the accompanying supplementary information, as listed in the table of contents, which is presented for supplementary analysis purposes, in accordance with the 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 schedules information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary schedules, and, accordingly, do not express an opinion or any other form of assurance on them.

Elliott & Assoc. "APAC"

Leesville, Louisiana
June 8, 1999

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1998

| ASSETS | Governmental Fund Types | |
|---|-------------------------|------------------|
| | General Fund | Debt Service |
| Cash (Note 2) | \$ 25,048 | \$ 44,845 |
| Investments - time certificates of deposit, at cost (Note 2) | 90,000 | --- |
| Receivables, (net where applicable, of allowances for uncollectibles)(Note 3) | | |
| Ad valorem tax | --- | 78,407 |
| Due from debt service fund | 1,291 | --- |
| Organization costs, net of amortization | 6,507 | --- |
| Amount available in Debt Service Fund | --- | --- |
| Amount to be provided for retirement of general long- term debt | --- | --- |
| Fixed assets (Note 4) | --- | --- |
| Total assets | <u>\$122,846</u> | <u>\$123,252</u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Accounts payable | \$ --- | \$ --- |
| Ad valorem deduction payable | --- | 2,259 |
| Due to general fund | --- | 1,291 |
| General obligations bonds payable (Note 5) | --- | --- |
| Total liabilities | --- | 3,550 |
| Fund equity: | | |
| Investment in general fixed assets (Note 4) | --- | --- |
| Fund Balances - | | |
| Reserved for debt service | --- | 119,702 |
| Unrestricted - undesignated | <u>122,846</u> | --- |
| Total fund equity | <u>122,846</u> | <u>119,702</u> |
| Total liabilities and fund equity | <u>\$122,846</u> | <u>\$123,252</u> |

See accompanying notes and accountant's compilation report.

Exhibit A

| <u>Account Groups</u> | | |
|-----------------------------|-------------------------------|---------------------------------|
| <u>General Fixed Assets</u> | <u>General Long-Term Debt</u> | <u>Totals (Memorandum Only)</u> |
| \$ --- | \$ --- | \$ 69,893 |
| --- | --- | 90,000 |
| — | — | 1,291 |
| --- | --- | 78,407 |
| --- | --- | 6,507 |
| --- | 120,993 | 120,993 |
| --- | 279,007 | 279,007 |
| <u>535,037</u> | <u>---</u> | <u>535,037</u> |
| <u>\$ 535,037</u> | <u>\$ 400,000</u> | <u>\$1,181,135</u> |
| | | |
| \$ --- | \$ --- | \$ --- |
| --- | --- | 2,259 |
| --- | --- | 1,291 |
| --- | 400,000 | 400,000 |
| --- | 400,000 | 403,550 |
| 535,037 | --- | 535,037 |
| --- | --- | 119,702 |
| --- | --- | 122,846 |
| <u>535,037</u> | <u>---</u> | <u>777,585</u> |
| <u>\$ 535,037</u> | <u>\$ 400,000</u> | <u>\$1,181,135</u> |

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1998

| | General Fund | Debt Service | Totals (Memorandum Only) |
|--|------------------|------------------|--------------------------------|
| Revenues: | | | |
| Ad valorem taxes (Note 3) | \$ --- | \$ 71,360 | \$ 71,360 |
| Licenses and permits | 7,975 | — | 7,975 |
| Interest | 3,555 | 3,135 | 6,690 |
| Miscellaneous | <u>2,955</u> | <u>---</u> | <u>2,955</u> |
| Total revenues | <u>14,485</u> | <u>74,495</u> | <u>88,980</u> |
| Expenditures: | | | |
| Current: | | | |
| Per diem | 3,380 | --- | 3,380 |
| Amortization expense | 1,183 | --- | 1,183 |
| Operating expenditures | 2,477 | --- | 2,477 |
| Other expenses | --- | 500 | 500 |
| Debt service: | | | |
| Principal payments (Note 5) | --- | 55,000 | 55,000 |
| Interest expense (Note 5) | --- | 22,032 | 22,032 |
| Capital outlay (Note 4) | <u>6,547</u> | <u>---</u> | <u>6,547</u> |
| Total expenditures | <u>13,587</u> | <u>77,532</u> | <u>91,119</u> |
| Excess (deficiency) of revenues over expenditures | 898 | (3,037) | (2,139) |
| Fund balances, beginning | <u>121,948</u> | <u>122,739</u> | <u>244,687</u> |
| Fund balances, ending | <u>\$122,846</u> | <u>\$119,702</u> | <u>\$ 242,548</u> |

See accompanying notes and accountant's compilation report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE

For the Year Ended December 31, 1998

| | <u>Budget</u> | <u>Actual</u> | Variance - Favorable (Unfavorable) |
|---|------------------|------------------|--|
| Revenues: | | | |
| Taxes | \$ --- | \$ --- | \$ --- |
| Licenses and permits | 8,000 | 7,975 | (25) |
| Interest | 3,550 | 3,555 | 5 |
| Miscellaneous | <u>---</u> | <u>2,955</u> | <u>2,955</u> |
| Total revenues | <u>11,550</u> | <u>14,485</u> | <u>2,935</u> |
| Expenditures: | | | |
| Current: | | | |
| Per diem | 3,400 | 3,380 | 20 |
| Amortization expense | --- | 1,183 | (1,183) |
| Operating expenditures | 2,480 | 2,477 | 3 |
| Capital outlay | <u>8,100</u> | <u>6,547</u> | <u>1,553</u> |
| Total expenditures | <u>13,980</u> | <u>13,587</u> | <u>393</u> |
| Excess (deficiency) of revenues over expenditures | (2,430) | 898 | 3,328 |
| Fund balances, beginning | <u>121,948</u> | <u>121,948</u> | <u>---</u> |
| Fund balances, ending | <u>\$119,518</u> | <u>\$122,846</u> | <u>\$ 3,328</u> |

See accompanying notes and accountant's compilation report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS
December 31, 1998

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 NCGA 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 transaction 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. 8 (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 38:1751. 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. 8 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.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

B. FIXED ASSETS AND LONG-TERM LIABILITIES

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 capitalized by the District. 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.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with measurement of financial position, not with measurement of results of operations.

C. 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. 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

C. BASIS OF ACCOUNTING (CONTD.)

Revenues

Ad valorem taxes and the related State Revenue Sharing (which is based on population and homesteads 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.

D. BUDGETARY PRACTICES

The Cameron Parish Gravity Drainage District No. 8 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.

E. 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 GRAVITY DRAINAGE DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

F. ACCOUNTS RECEIVABLE WRITE-OFF METHOD

The District has adopted a write off policy wherein any account that is deemed uncollectible is written off directly when the account's collection efforts have been deemed unsuccessful.

G. 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

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 1998, the carrying amount of the District's cash and cash equivalents was \$159,893 and the bank balance was \$161,574. All of the bank balance was covered by federal depository insurance.

NOTE 3--RECEIVABLES

Receivables at December 31, 1998 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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 -- RECEIVABLES (Contd.)

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, 1998 taxes of 7.75 mils were levied on property with assessed valuation totaling \$9,183,350 and were dedicated entirely for the specified purpose of the District.

NOTE 4 -- FIXED ASSETS

For the year ended December 31, 1998, the activity in general fixed assets was as follows:

| | <u>Drainage System</u> | <u>Equipment</u> | <u>Total</u> |
|--------------------|----------------------------|------------------|------------------|
| Balance - 12/31/97 | \$528,290 | \$ 200 | \$528,490 |
| Additions | 6,547 | --- | 6,547 |
| Deletions | --- | --- | --- |
| Balance - 12/31/98 | <u>\$534,837</u> | <u>\$ 200</u> | <u>\$535,037</u> |

NOTE 5 -- CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Cameron Parish Gravity Drainage District No. 8 for the year ended December 31, 1998:

| | <u>General Obligation Bonds</u> |
|----------------------------------|---------------------------------|
| Bonds payable, January 1, 1998 | \$ 455,000 |
| Bonds issued | --- |
| Bonds retired | <u>(55,000)</u> |
| Bonds payable, December 31, 1998 | <u>\$ 400,000</u> |

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 -- CHANGES IN LONG-TERM DEBT (Continued)

Bonds payable at December 31, 1998 are comprised of the following individual issues:

General obligation bonds:

\$600,000 of General Obligation
Bonds dated June 1, 1994; due
in annual installments of \$45,000
to \$75,000 through June 1, 2004;
interest at 4.85% - 5.75% \$ 400,000

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 1998, including interest payments of \$65,466 are as follows:

Year ending

| | |
|------------|------------------|
| 1999 | \$ 79,093 |
| 2000 | 76,138 |
| 2001 | 77,964 |
| 2002 | 79,470 |
| 2003 | 75,813 |
| Thereafter | <u>76,988</u> |
| Total | <u>\$465,466</u> |

NOTE 6--RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--RISK MANAGEMENT (Continued)

| | <u>LIMITS OF COVERAGE</u> |
|--|-----------------------------------|
| Workmen's compensation | \$ 225,000 |
| Auto liability | 1,000,000 |
| Commercial general liability | 2,000,000 |
| District-owned buildings and equipment | NONE |

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

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

SUPPLEMENTARY INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 8

COMPENSATION OF BOARD MEMBERS

For the year ended December 31, 1998

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the board members received \$65 per diem for attendance at meetings of the board.

| | <u>Number Attended</u> | <u>Amount</u> |
|---------------------|----------------------------|----------------|
| Albert Guidry | 14 | \$ 910 |
| Glenn Harris | 3 | 195 |
| Patrick Hebert | 14 | 910 |
| Brent Nunez | 14 | 910 |
| Charles Precht, Jr. | 3 | --- |
| Steve Thomas | 7 | <u>455</u> |
| | | <u>\$3,380</u> |

* Charles Precht, Jr. attended 3 meetings but did not collect per diem.

See accountant's compilation report.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Cameron Parish Gravity Drainage District No. 8

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Cameron Parish Gravity Drainage District No. 8 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Cameron Parish Gravity Drainage District No. 8'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, I 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).

No expenditures were made during the year for materials and supplies exceeding \$15,000. No expenditures were 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 me with the required list including the noted information.

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

Management provided me with the required list.

- 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.

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

BUDGETING

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

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

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

I traced the adoption of the original budget to the minutes held on December 3, 1997 which indicated that the budget had been adopted by the Board of Commissioners by a vote of 5 in favor and 0 opposed. One amendment was made to the budget during the year in January 1999.

- 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 amounts by 5% or more.

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

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:
- (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 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 account; and

All 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 from the Board of Commissioners. In addition, each of the disbursements were traced to the District's minute book where they were approved by the full 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 42:12 (the open meetings law).

Cameron Parish Gravity Drainage District No. 8 is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

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.

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

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

My prior year report, dated July 23, 1998, 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 come to my attention that would have been reported to you.

This report is intended solely for the use of management of Cameron Parish Gravity Drainage District No. 8 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.

Elliott Assoc, "APAC"
Leesville, Louisiana
June 8, 1999