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**TANGIPAHOA PARISH
GRAVITY DRAINAGE
DISTRICT NO. 4**

TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS

As of and for the Year Ended

December 31, 1998

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

Release Date ~~June 15, 1999~~

TANGIPAHOA PARISH GRAVITY DRAINAGE
DISTRICT NO. 4
Tangipahoa Parish Council
Amite, Louisiana

Component Unit Financial Statements

As of and for the Year Ended
December 31, 1998

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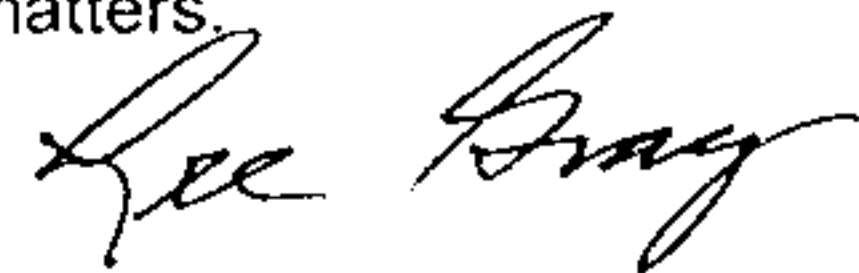
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Board of Commissioners
Tangipahoa Parish Gravity Drainage
District No. 4
Tangipahoa Parish Council
Amite, Louisiana

I have compiled the accompanying financial statements of Tangipahoa Parish Gravity Drainage District No. 4, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 1998, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Certified Public Accountant

April 29, 1999

Tangipahoa Parish Gravity Drainage District No. 4

ALL FUND TYPES AND ACCOUNT GROUPS
BALANCE SHEET
December 31, 1998

| | <u>Governmental Funds</u> | | <u>Account Group</u> | <u>Total</u> |
|---|---------------------------|-----------------------------|---------------------------------|------------------------------|
| | <u>General</u> | <u>Capital Projects</u> | <u>General Fixed Assets</u> | <u>(Memorandum) Only</u> |
| <u>ASSETS</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$25,145 | \$57,623 | \$ - | \$ 82,768 |
| Receivables: | | | | |
| Ad valorem taxes | 64,894 | 7,656 | - | 72,550 |
| State revenue sharing | 4,436 | - | - | 4,436 |
| Equipment | - | - | 2,826 | 2,826 |
| TOTAL ASSETS | <u>\$94,475</u> | <u>\$65,279</u> | <u>\$2,826</u> | <u>\$162,580</u> |
| <u>LIABILITIES, EQUITY, AND OTHER CREDITS</u> | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 8,032 | \$ - | \$ - | \$ 8,032 |
| Deductions from ad valorem taxes payable | 3,068 | - | - | 3,068 |
| Total Liabilities | 11,100 | - | - | 11,100 |
| Equity and Other Credits | | | | |
| Investment in general fixed assets | - | - | 2,826 | 2,826 |
| Fund balances - unreserved - undesignated | 83,375 | 65,279 | - | 148,654 |
| TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS | <u>\$94,475</u> | <u>\$65,279</u> | <u>\$2,826</u> | <u>\$162,580</u> |

See accountant's compilation report.

Tangipahoa Parish Gravity Drainage District No. 4

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 1998

| | <u>General</u> | <u>Capital Projects</u> | <u>Total (Memorandum Only)</u> |
|--|-----------------|-----------------------------|--|
| <u>REVENUES</u> | | | |
| Ad valorem taxes | \$74,275 | \$ 8,500 | \$ 82,775 |
| Intergovernmental revenues: | | | |
| State revenue sharing | 6,654 | - | 6,654 |
| Interest earnings | <u>757</u> | <u>3,223</u> | <u>3,980</u> |
| Total Revenues | <u>81,686</u> | <u>11,723</u> | <u>93,409</u> |
| <u>EXPENDITURES</u> | | | |
| General government: | | | |
| Salaries and related benefits | 2,372 | - | 2,372 |
| Compensation paid board members | 2,800 | - | 2,800 |
| Capital outlay | 999 | - | 999 |
| Election expense | 7,363 | - | 7,363 |
| Insurance | 3,360 | - | 3,360 |
| Office supplies | 243 | - | 243 |
| Official journal | 1,162 | - | 1,162 |
| Other | 2,518 | - | 2,518 |
| Statutory charges | 3,068 | - | 3,068 |
| Public works - drainage | <u>41,039</u> | <u>17,589</u> | <u>58,628</u> |
| Total expenditures | <u>64,924</u> | <u>17,589</u> | <u>82,513</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 16,762 | (5,866) | 10,896 |
| FUND BALANCE - BEGINNING | <u>66,613</u> | <u>71,145</u> | <u>137,758</u> |
| FUND BALANCE - ENDING | <u>\$83,375</u> | <u>\$65,279</u> | <u>\$148,654</u> |

See accountant's compilation report.

Tangipahoa Parish Gravity Drainage District No. 4

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended December 31, 1998

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|--|-----------------|-----------------|---|
| <u>REVENUES</u> | | | |
| Ad valorem taxes | \$40,873 | \$74,275 | \$33,402 |
| Intergovernmental revenues: | | | |
| State revenue sharing | 8,575 | 6,654 | (1,921) |
| Interest earnings | <u>500</u> | <u>757</u> | <u>257</u> |
| Total Revenues | <u>49,948</u> | <u>81,686</u> | <u>31,738</u> |
| <u>EXPENDITURES</u> | | | |
| General government: | | | |
| Salaries and related benefits | 2,400 | 2,372 | 28 |
| Compensation paid board members | 2,850 | 2,800 | 50 |
| Capital outlay | - | 999 | (999) |
| Election expense | - | 7,363 | (7,363) |
| Insurance | 2,978 | 3,360 | (382) |
| Office supplies | 241 | 243 | (2) |
| Official journal | 1,062 | 1,162 | (100) |
| Other | 3,581 | 2,518 | 1,063 |
| Statutory charges | 1,971 | 3,068 | (1,097) |
| Public works - drainage | <u>41,039</u> | <u>41,039</u> | <u>-</u> |
| Total Expenditures | <u>56,122</u> | <u>64,924</u> | <u>(8,802)</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (6,174) | 16,762 | 22,936 |
| FUND BALANCE - BEGINNING | <u>66,613</u> | <u>66,613</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$60,439</u> | <u>\$83,375</u> | <u>\$22,936</u> |

See accountant's compilation report.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Tangipahoa Parish Gravity Drainage
District No. 4
Tangipahoa Parish Council
Amite, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Tangipahoa Parish Gravity District No. 4, a component unit of the Tangipahoa Parish Council, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Tangipahoa Parish Gravity Drainage District No. 4'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 or public works exceeding the above thresholds.

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.

The District had one paid employee during the year ended December 31, 1998.

Tangipahoa Parish Gravity Drainage District No. 4
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (continued)

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 one paid employee of the District was not included on any of the immediate family members lists.

Budgeting

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

Management provided me with a copy of the original budget and the amended budgets.

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

I traced the adoption of the original budget to the minutes of a meeting held November 24, 1997. I traced the adoption of amended budgets to the minutes of meetings held June 29, July 27, August 31, September 28, and December 21, 1998.

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

I compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual expenditures for the year exceeded the budgeted expenditures by 15.68%.

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.

All of the payments were approved by the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Drainage District is not adhering to LSA-RS 42:1 through 42:12 (open meetings law). They are not posting a written public notice in regards to the agenda, meeting date, time, and place.

Tangipahoa Parish Gravity Drainage District No. 4
Independent Accountant's Report
on Applying Agreed-Upon Procedures - (continued)

Recommendation

The Drainage District needs to start following the rules and guidelines set forth in LSA-RS 42:1 through 42:12 (open meeting law).

It is suggested that the District retain the dated written notices in the minute book as supporting documentation to the assertion that meeting notices are being 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.

I noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

A reading of the minutes of the District for the year indicated no approval for payments which may constitute bonuses, advances, or gifts.

Other Matters

12. Per diem of \$2,800 was paid to board members during the year ended December 31, 1998.

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 Tangipahoa Parish Gravity Drainage District No. 4, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

April 29, 1999

**LOUISIANA
ATTESTATION
QUESTIONNAIRE**

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

2-10-99 (Date Transmitted)

Lee Gray, CPA
P.O. Box 368
Amite, LA 70422

(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 12-31-98 (date of completion/representations).

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 39:1410.60-1410.65.

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.

| | | | |
|---------------------------|-----------|----------------|------|
| <u>Mary Lynn Thompson</u> | Secretary | <u>2-10-99</u> | Date |
| <u>Mary Lynn Thompson</u> | Treasurer | <u>2-10-99</u> | Date |
| <u>John Ardith</u> | President | <u>2-10-99</u> | Date |

Tangipahoa Parish Gravity Drainage District No. 4

Corrective Action Plan for
Current Year Attestation Findings

For the Year Ended December 31, 1998

| <u>Ref. No.</u> | <u>Description of Finding</u> | <u>Corrective Action Planned</u> | <u>Name(s) of Contact Person(s)</u> | <u>Anticipated Completion Date</u> |
|-----------------|---|--|-------------------------------------|------------------------------------|
| 98-1 | Actual expenditures exceeded budgeted expenditures by more than 5%. | The District is monitoring the financial statements monthly and amending them as needed. | Mary Lynn Thompson | - |
| 98-2 | Not posting written public notice in regards to the meetings. | The District will start preparing and posting the written public notices for the meetings. | Mary Lynn Thompson | 6-28-99 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |