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GRAVITY DRAINAGE DISTRICT NO. ONE  
OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 5-26-04

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**JOHN S. DOWLING & COMPANY**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
1904-1984  
Retired  
Harold Dupre, CPA  
1996  
John Newton Stout, CPA  
1998  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003

ACCOUNTANT'S COMPILATION REPORT

The Board of Commissioners  
Gravity Drainage District No. One of  
Ward Three of St. Landry Parish  
Arnaudville, Louisiana

We have compiled the accompanying general purpose financial statements of Gravity Drainage District No. One of Ward Three of St. Landry Parish, a component unit of the St. Landry Parish Police Jury, as of December 31, 2003, and for the year then ended, 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. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated April 23, 2004, on the results of our agreed-upon procedures.

*John S. Dowling & Company*

Opelousas, Louisiana  
April 23, 2004

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 2003

ASSETS	GOVERNMENTAL		ACCOUNT GROUPS			TOTALS	
	GENERAL	FUND TYPES SPECIAL REVENUE	DEBT SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	2003	(Memorandum Only) 2002
Cash	\$76,931	\$3,670	\$647			\$81,248	\$19,990
Checks on hand	40,620					40,620	27,596
Grant receivable		11,398				11,398	
Property taxes receivable, net	117,354					117,354	118,848
State revenue sharing receivable	8,613					8,613	13,196
Interfund receivable	15,068					15,068	367
Equipment				\$317,478		317,478	295,427
Amount to be provided					\$118,583	118,583	
<u>Total assets</u>	<u>258,586</u>	<u>15,068</u>	<u>647</u>	<u>317,478</u>	<u>118,583</u>	<u>710,362</u>	<u>475,424</u>

LIABILITIES AND FUND EQUITY

<u>LIABILITIES</u>							
Accounts payable	\$460					\$460	\$8,372
Salaries payable	1,056					1,056	1,390
Interfund payable		\$15,068				15,068	367
Note payable						118,583	
Total liabilities	<u>1,516</u>		<u>-0-</u>			<u>135,167</u>	<u>10,129</u>
<u>FUND EQUITY</u>							
Investment in general fixed assets							
Fund balance						317,478	295,427
Reserved for protest taxes	12,000					12,000	12,000
Unreserved and undesignated	245,070		\$647			245,717	157,868
Total fund equity	<u>257,070</u>	<u>-0-</u>	<u>647</u>			<u>575,195</u>	<u>465,295</u>
Total liabilities and fund equity	<u>258,586</u>	<u>15,068</u>	<u>647</u>	<u>317,478</u>	<u>118,583</u>	<u>710,362</u>	<u>475,424</u>

See accompanying notes and accountant's report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>GOVERNMENTAL</u>			<u>TOTALS</u>	
	<u>FUND TYPES</u>			<u>(Memorandum Only)</u>	
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>2003</u>	<u>2002</u>
<u>REVENUES</u>					
Taxes					
Property taxes	\$153,460			\$153,460	\$147,371
Intergovernmental revenues					
State revenue sharing	12,550			12,550	13,246
Grant revenue		\$19,340		19,340	
Use of money and property					
Interest earnings					348
<u>Total revenues</u>	<u>166,010</u>	<u>19,340</u>	<u>-0-</u>	<u>185,350</u>	<u>160,965</u>
<u>EXPENDITURES</u>					
Current					
General and administrative					
Engineering assistance	500			500	500
Fuel and oil	1,859	5,762		7,621	4,808
Insurance	12,442			12,442	8,819
Labor	13,936	9,990		23,926	22,880
Legal publications	256			256	689
Miscellaneous expense	130	51	29	210	269
Office expense	1,200			1,200	1,200
Per diem and mileage	3,058			3,058	3,214
Professional fees	1,425			1,425	1,350
Rent	600			600	600
Repairs and maintenance	10,109	3,788		13,897	4,137
Recording right of ways					57
Salary -					
Secretary/treasurer	4,200			4,200	4,200
Taxes - payroll	2,977			2,977	2,831
Telephone - cellular	190			190	320
Election					8,714
Capital outlay	158,583			158,583	
Debt service					
Principal					20,000
Interest					1,440
Paying agent fees					90
<u>Total expenditures</u>	<u>211,465</u>	<u>19,591</u>	<u>29</u>	<u>231,085</u>	<u>86,118</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	<u>(45,455)</u>	<u>(251)</u>	<u>(29)</u>	<u>(45,735)</u>	<u>74,847</u>

Continued on next page.

See accompanying notes and accountant's report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>GOVERNMENTAL</u> <u>FUND TYPES</u>			<u>TOTALS</u> <u>(Memorandum Only)</u>	
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>2003</u>	<u>2002</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in		\$251		\$251	
Operating transfers out	\$(251)			(251)	
General fixed assets traded in	15,000			15,000	
Inception of note payable	<u>118,583</u>	_____	_____	<u>118,583</u>	_____
<u>Total other financing</u> <u>sources (uses)</u>	<u>133,332</u>	<u>251</u>	<u>-0-</u>	<u>133,583</u>	<u>-0-</u>
 <u>EXCESS OF REVENUES AND OTHER</u> <u>SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER USES</u>					
	87,877		\$(29)	87,848	\$74,847
<u>FUND BALANCES, beginning of year</u>	<u>169,193</u>	_____	<u>676</u>	<u>169,869</u>	<u>95,021</u>
<u>FUND BALANCES, end of year</u>	<u>257,070</u>	<u>-0-</u>	<u>647</u>	<u>257,717</u>	<u>169,868</u>

See accompanying notes and accountant's report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (CASH BASIS) AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	GENERAL FUND		SPECIAL SERVICE FUND		TOTALS (Memorandum Only)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
<u>REVENUES</u>					
Taxes					
Property taxes	\$140,620	\$154,953	\$14,333		\$154,953
Intergovernmental revenues					
State revenue sharing	12,826	17,133	4,307		17,133
Grant revenue				\$25,000	\$7,942
Total revenues	<u>153,446</u>	<u>172,086</u>	<u>18,640</u>	<u>25,000</u>	<u>180,028</u>
<u>EXPENDITURES</u>					
Current					
General and administrative					
Engineering assistance	500	500			500
Fuel and oil	2,900	1,859	1,041	5,762	7,621
Insurance	13,248	12,442	806		12,442
Labor	24,000	13,920	10,080	9,990	23,910
Legal publications	200	256	(56)		256
Miscellaneous expense	145	165	(20)	51	216
Office expense	1,200	1,200			1,200
Per diem and mileage	3,100	3,058	42		3,058
Professional fees	1,400	1,425	(25)		1,425
Rent	600	600			600
Repairs and maintenance	2,500	10,046	(7,546)	3,788	13,834
Salary - secretary/treasurer	4,200	4,550	(350)		4,550
Taxes - payroll	2,800	2,977	(177)		2,977
Telephone - cellular	240	240			240
Election	7,890	7,890			7,890
Capital outlay	25,000	25,000			25,000
Total expenditures	<u>89,923</u>	<u>86,128</u>	<u>3,795</u>	<u>19,591</u>	<u>105,719</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>63,523</u>	<u>85,958</u>	<u>22,435</u>	<u>(11,649)</u>	<u>74,309</u>

Continued on next page.

See accompanying notes and accountant's report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (CASH BASIS) AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

	GENERAL FUND		SPECIAL SERVICE FUND		TOTALS (Memorandum Only) ACTUAL
	BUDGET	ACTUAL	BUDGET	ACTUAL	
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in			\$13,000	\$13,000	\$13,000
Operating transfers out					(13,000)
Total other financing sources (uses)			-0-	13,000	-0-
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>					
FUND BALANCES, beginning of year	50,523	72,958	-0-	1,351	74,309
FUND BALANCES, end of year	46,911	119,869	1,351	46,911	121,220

See accompanying notes and accountant's report.



GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. SCOPE OF ENTITY

The Gravity Drainage District No. One of Ward Three of St. Landry Parish was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the District's governing body, the District was determined to be a component unit of the St. Landry Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accompanying component unit financial statements of Gravity Drainage District No. One of Ward Three of St. Landry Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District uses funds and account groups to report on its financial position and the results of its 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. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

General Fund

The General Fund is the general operating fund of the Gravity Drainage District No. One of Ward Three of St. Landry Parish. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for the grant received from the Governor's Office of Rural Development.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund-type inventories are recorded as expenditures when purchased and items on hand at year-end, if any, are not recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

D. BUDGETS AND BUDGETARY ACCOUNTING

The District is required by state law to adopt an annual budget for its General Fund. The District also adopts a budget for its Debt Service Fund. The budget for the Special Revenue Fund is adopted on a contract basis with the Governor's Office of Rural Development. The budgets are adopted on a cash basis. The budgets must be finally adopted by the District no later than the last day of the preceding year. The Board of Commissioners may authorize revisions requiring alteration of levels of expenditures. Operating appropriations lapse at year-end.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

The revenues, expenditures and fund balance shown on pages 3 and 4 are reconciled with the amounts reflected in the budget comparisons on pages 5 and 6 as follows:

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>
Revenues - page 3	\$166,010	\$19,340
Add: Prior year property taxes receivable	118,848	
Prior year state revenue sharing receivable	13,196	
Less: Current year property tax receivable	(117,355)	
Current year state revenue sharing receivable	(8,613)	
Current year grant receivable	_____	(11,398)
Revenues - page 5	<u>172,086</u>	<u>7,942</u>
Expenditures - page 3	\$211,465	\$19,591
Add: Prior year payables	9,762	
Less: Current year payables	(1,516)	
Less: Capital outlay financed	(133,583)	_____
Expenditures - page 5	<u>86,128</u>	<u>19,591</u>
Fund balance, end of year - page 4	\$257,070	
Add: Current year payables	1,516	
Add (Less): Advance for expenses	(13,000)	\$13,000
Add (Less): Operating transfer in to cover expenses not to be reimbursed	251	(251)
Less: Current year receivables	(125,968)	(11,398)
Fund balance, end of year - page 6	<u>119,869</u>	<u>1,351</u>

E. ENCUMBRANCES

Encumbrance accounting is not used by the Drainage District.

F. INVESTMENTS AND CASH

Investments are stated at cost or amortized cost, which approximates market.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates of deposit in state and national banks, or any other federally insured investment.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FIXED ASSETS

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The assets recorded in the General Fixed Assets Account Group consist only of equipment. Expenditures for infrastructure assets, if any, are not set up as assets in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost plus trade-in value, if applicable. Interest costs during construction are not capitalized.

H. PENSION PLANS

The Drainage District does not have a pension plan. The employees of the Drainage District participate in the Social Security Retirement System.

I. VACATION AND SICK LEAVE

After six months of service, employees earn 15 days of annual leave each year at the rate of 10 hours per month. Accumulated annual leave is lost at the time of retirement or resignation. Sick leave is granted at the discretion of the Board of the Drainage District.

J. LONG-TERM DEBT

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.

K. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements 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 operations, 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.

2. CASH AND INVESTMENTS

At December 31, 2003 the total bank balances of the District's deposits (cash and time deposits) were \$146,168.65. The entire bank balance was covered by federal depository insurance or by collateral held by the bank in the District's name.

3. PROPERTY TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the tax assessor of St. Landry Parish.



GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

3. PROPERTY TAXES (Continued)

For the year ended December 31, 2003, a tax millage of 15.38 was assessed, of which 5.38 mills were for maintenance, and an additional 10.00 mills was assessed, after a special election was held on July 20, 2003, for the purpose of constructing, maintaining, and operating the District's drainage works. As per state requirements, each taxing district of the parish must remit 2.7335% of total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, property taxes are shown net of pension fund distributions as follows:

	<u>Total Tax</u> <u>Per Roll</u>	<u>Pension Fund</u> <u>Requirements</u>	<u>Property</u> <u>Tax Receivable</u>
General Fund	\$158,625	\$743	\$157,882

4. PROPERTY TAXES RECEIVABLE

A breakdown of property taxes receivable as of December 31, 2003 is as follows:

	<u>Taxes</u> <u>Receivable</u>	<u>Estimated</u> <u>Uncollectible</u>	<u>Collections</u> <u>in December</u>	<u>Net Taxes</u> <u>Receivable</u>
General Fund	\$157,882	\$4,214	\$36,314	\$117,354

5. INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General Fund	\$15,068	
Special Revenue Fund		\$15,068

6. GENERAL LONG-TERM DEBT

The Drainage District purchased a 2003 Kobelco SK250 Excavator for \$158,583 during the current fiscal year. The 1992 Kobelco was traded in for \$15,000. The District made a \$25,000 down payment and will pay out the balance in four equal annual installments of \$34,157. The annual debt service requirements including interest are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$27,140	\$7,017	\$34,157
2005	28,746	5,411	34,157
2006	30,447	3,710	34,157
2007	<u>32,250</u>	<u>1,907</u>	<u>34,157</u>
	<u>118,583</u>	<u>18,045</u>	<u>136,628</u>

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

7. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Equipment</u>
Balance, beginning of year	\$295,427
Additions - 2003 Kobelco excavator	158,583
Deletions - 1992 Kobelco excavator	<u>(136,532)</u>
Balance, end of year	<u>317,478</u>

8. PER DIEM AND MILEAGE

Per diem and mileage paid to board members is summarized below:

<u>Board Members</u>	
Teddy Stelly	\$572
Alvin J. Mallet	614
Creighton Dugas, Jr.	634
Y. Z. Gauthier	619
Donald Meche	<u>619</u>
<u>Total</u>	<u>3,058</u>

9. DEFICITS IN INDIVIDUAL FUNDS

None of the District's funds had a deficit fund balance at December 31, 2003.

10. RESERVES OF FUND EQUITY

Per the board meeting held on April 3, 2003, the District shall hold in reserve \$12,000 of property tax revenue for a liability that may result from property taxes under protest.

11. LITIGATION

A lawsuit was filed during the year against the Gravity Drainage District No. One of Ward Three concerning work done under the Bayou Bourbeaux Watershed Project. The lawsuit also named numerous other public entities. The District's attorney believes that the District and all other entities involved were within their legal rights concerning the work done and anticipates no financial loss from this litigation.



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 Lisa T. Manuel, CPA

**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984

Retired

Harold Dupre, CPA  
 1996  
 John Newton Stout, CPA  
 1998  
 Dwight Ledoux, CPA  
 1998  
 Joel Lanclos, Jr., CPA  
 2003

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners  
 Gravity Drainage District No. One of  
 Ward Three of St. Landry Parish  
 Arnaudville, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Gravity Drainage District No. One of Ward Three of St. Landry Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Gravity Drainage District No. One of Ward Three's compliance with certain laws and regulations during the year ended December 31, 2003 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 materials 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).

Two expenditures were made during the year for materials and supplies exceeding \$15,000. We examined documentation which indicated that these expenditures had been properly advertised and accepted in accordance with the provisions of LSA-RS 38:2211-2251. No expenditures were made during the year 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.

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

Management provided us with the required list.



The Board of Commissioners  
 Gravity Drainage District No. One of  
 Ward Three of St. Landry Parish  
 Page 2

Code of Ethics for Public Officials and Public Employees - 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.

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 and amended budgets.

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

We traced the adoption of the original budget to the minutes of a meeting held on 12/4/02 and the adoption of the amended budget to a meeting held on 11/5/03.

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 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures of the General Fund for the year did not exceed budgeted amounts by more than 5%. Budgeted revenues of the Special Revenue Fund exceeded actual revenues by 68%. Actual expenditures of the Special Revenue Fund did not exceed budgeted expenditures.

Management's Corrective Action Plan

The District budgeted the full amount of the grant, but did not expend the full amount of the grant.

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;

We examined supporting documentation for each of the 6 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

Payments were properly coded to the correct fund and general ledger account.

The Board of Commissioners  
 Gravity Drainage District No. One of  
 Ward Three of St. Landry Parish  
 Page 3

Accounting and Reporting - Continued

- (c) Determine whether payments received approval from proper authorities.

Payments were approved by the Board of Commissioners as stated in the minutes.

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).

Gravity Drainage District No. One of Ward Three of St. Landry Parish is only required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted and the notices are marked as being posted along with the date 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 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.

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

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The Board of Commissioners  
Gravity Drainage District No. One of  
Ward Three of St. Landry Parish  
Page 4

This report is intended solely for the use of management of Gravity Drainage District No. One of Ward Three of St. Landry Parish 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*John S. Douling & Company*

Opelousas, Louisiana  
April 23, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)

(Date Transmitted)

Consolidated H. D. Dist

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(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 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.

<i>Jackie D. Deville</i>	Secretary	<u>1-7-04</u>	Date
<i>Jackie D. Deville</i>	Treasurer	<u>1-7-04</u>	Date
<i>[Signature]</i>	President	<u>1-7-04</u>	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.

*Unanimously adopted at Board  
mtg held on 1-7-04*

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD THREE OF ST. LANDRY PARISH  
ARNAUDVILLE, LOUISIANA  
SUMMARY OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

FINDING - APPLYING AGREED-UPON PROCEDURES

Budgeted revenues of the Debt Service Fund exceeded actual revenues by 73.7%

No longer applicable.