

OFFICE OF THE LEGISLATIVE AUDITOR

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**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY**

**FINANCIAL REPORT**

**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 5.5.04

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# BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

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## ACCOUNTANT'S COMPILATION REPORT

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(337) 684-2855

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish  
Abbeville, Louisiana

We have compiled the accompanying general purpose financial statements of the Consolidated Gravity Drainage District No. 2-A of Vermilion Parish, a component unit of the Vermilion Parish Police Jury, as of and for the year ended December 31, 2003, and the supplementary schedule, as listed in the table of contents. These financial statements and supplementary schedule, which is presented only for supplementary analysis purposes, were compiled 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 of the Consolidated Gravity Drainage District No. 2-A. We have not audited or reviewed the accompanying general purpose financial statements and the supplementary schedules and, accordingly, we 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 March 3, 2004, on the results of our agreed-upon procedures.

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Siagno, CPA\*  
Scott J. Broussard, CPA\*  
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Gregory B. Milton, CPA\*  
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Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*  
Troy J. Breaux, CPA\*  
Fayette T. Dupre', CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, 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. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

*Broussard, Poche', Lewis & Breaux LLP*

Crowley, Louisiana  
March 3, 2004

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 2003  
See Accountant's Compilation Report

	Governmental Fund Types	
	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 58,862	\$ 89,275
Investments, at cost	-	153,840
Receivables	170,586	83,006
Equipment	-	-
Amount available in debt service funds	-	-
Amount to be provided for retirement of general long-term debt	-	-
<b>Total assets</b>	<b>\$ 229,448</b>	<b>\$ 326,121</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 617	\$ -
Deduction from ad valorem taxes	5,710	2,850
Bonds payable	-	-
Other payable	126	-
<b>Total liabilities</b>	<b>\$ 6,453</b>	<b>\$ 2,850</b>
<b>FUND EQUITY</b>		
Investment in general fixed assets	\$ -	\$ -
<b>Fund balances:</b>		
Reserved for debt service	\$ -	\$ 323,271
Unreserved - undesignated	222,995	-
<b>Total fund balances</b>	<b>\$ 222,995</b>	<b>\$ 323,271</b>
<b>Total liabilities and fund equity</b>	<b>\$ 229,448</b>	<b>\$ 326,121</b>

See Notes to Financial Statements.

<u>Account Groups</u>		
<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
\$ -	\$ -	\$ 148,137
-	-	153,840
-	-	253,592
206,269	-	206,269
-	323,271	323,271
-	21,729	21,729
<u>\$ 206,269</u>	<u>\$ 345,000</u>	<u>\$ 1,106,838</u>
\$ -	\$ -	\$ 617
-	-	8,560
-	345,000	345,000
-	-	126
<u>\$ -</u>	<u>\$ 345,000</u>	<u>\$ 354,303</u>
<u>\$ 206,269</u>	<u>\$ -</u>	<u>\$ 206,269</u>
\$ -	\$ -	\$ 323,271
-	-	222,995
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,266</u>
<u>\$ 206,269</u>	<u>\$ 345,000</u>	<u>\$ 1,106,838</u>

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2003  
See Accountant's Compilation Report

	General Fund	Debt Service Fund	Total (Memorandum Only)
<b>Revenues:</b>			
<b>Taxes:</b>			
Ad valorem taxes	\$ 177,486	\$ 88,576	\$ 266,062
<b>Intergovernmental:</b>			
State revenue sharing	7,756	-	7,756
Other	581	2,614	3,195
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 185,823	\$ 91,190	\$ 277,013
<hr/>			
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public works:</b>			
Salaries and related benefits	\$ 44,038	\$ -	\$ 44,038
Compensation paid to board of commissioners	2,720	-	2,720
Accounting and legal	1,300	-	1,300
Insurance	54,974	-	54,974
Office	393	-	393
Materials and supplies	3,214	-	3,214
Repairs	3,239	-	3,239
Drainage maintenance	3,130	-	3,130
Fuel and oil	8,881	-	8,881
Pension	5,710	2,850	8,560
Miscellaneous	356	-	356
Uncollected tax expense	1,115	438	1,553
<b>Debt service:</b>			
Principal retirements	-	30,000	30,000
Interest and fiscal charges	-	28,914	28,914
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 129,070	\$ 62,202	\$ 191,272
<hr/>			
Excess of revenues over expenditures	\$ 56,753	\$ 28,988	\$ 85,741
Fund balances, beginning	166,242	294,283	460,525
	<hr/>	<hr/>	<hr/>
Fund balances, ending	\$ 222,995	\$ 323,271	\$ 546,266
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 2003  
See Accountant's Compilation Report

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Taxes:</b>			
Ad valorem taxes	\$ 152,135	\$ 177,486	\$ 25,351
<b>Intergovernmental:</b>			
State revenue sharing	7,984	7,756	(228)
Other	511	581	70
	<u>\$ 160,630</u>	<u>\$ 185,823</u>	<u>\$ 25,193</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public works:</b>			
Salaries and related benefits	\$ 44,038	\$ 44,038	\$ -
Compensation paid to board of commissioners	2,700	2,720	(20)
Accounting and legal	1,300	1,300	-
Insurance	54,401	54,974	(573)
Office	393	393	-
Materials and supplies	3,250	3,214	36
Repairs	3,250	3,239	11
Drainage maintenance	2,490	3,130	(640)
Fuel and oil	8,710	8,881	(171)
Pension	-	5,710	(5,710)
Miscellaneous	1,312	356	956
Uncollected tax expense	-	1,115	(1,115)
	<u>\$ 121,844</u>	<u>\$ 129,070</u>	<u>\$ (7,226)</u>
 Excess of revenues over expenditures	 \$ 38,786	 \$ 56,753	 \$ 17,967
Fund balances (deficit), beginning	(18,422)	166,242	184,664
Fund balances, ending	<u>\$ 20,364</u>	<u>\$ 222,995</u>	<u>\$ 202,631</u>

See Notes to Financial Statements.

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY**

**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 Drainage District is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the parish police jury. The Drainage District was created under the authority of Louisiana Revised Statute 38:1751-1802 and was established for the purpose of draining and reclaiming the undrained or partially undrained marsh, swamp, and overflowed lands in the district that must be levied and pumped in order to be drained and reclaimed.

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.

**A. Reporting Entity**

In conformance with GASB Codification Section 2100, the Drainage District is a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. 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, and other governmental units that comprise the governmental reporting entity.

**B. 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.

**General Fund:**

The general fund is classified as a governmental fund. Governmental funds account for the 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 District and accounts for all financial resources except those required to be accounted for in other funds.



**NOTES TO FINANCIAL STATEMENTS**  
**See Accountant's Compilation Report**

**Debt Service Fund:**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

**Capital Projects Fund:**

The capital projects fund is used to account for financial resources to be used for acquisition or construction of major capital projects.

**C. General Fixed Assets and General Long-Term Obligations**

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

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The District's accounts are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

**Revenues:**

Ad valorem taxes and state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, 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.

**Expenditures:**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for principal and interest on general long-term debt which is recognized when due.

**NOTES TO FINANCIAL STATEMENTS**  
**See Accountant's Compilation Report**

**E. Budget Practices**

The budgeted revenue and expenditures are based on current figures and past experience. They are discussed, approved, adopted, and amended as necessary by the Board of Commissioners at the regular monthly meetings. The budget is prepared on a basis consistent with generally accepted accounting principles. All appropriations lapse at year-end. The District does not use encumbrance accounting.

**F. Cash and Investments**

For reporting purposes, cash and investments include cash, demand deposits, and certificates of deposit. Under state law, the Consolidated Gravity Drainage District No. 2-A of Vermilion Parish may deposit funds within 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. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2003, the District has cash (book balances) totaling \$301,977, which is all in interest-bearing demand deposits or certificates of deposit. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2003, the District has \$306,416 in deposits (collective bank balances). These deposits are not fully secured from risk by federal deposit insurance (GASB Category 1) and \$355,795 of pledged securities (GASB Category 3).

**G. Pensions**

Employees of the Drainage District are covered under the Federal Insurance Contribution Act (social security). The employees and the District contribute equally to the system. Pension expenditures as shown with revenues and expenditures is the amount deducted from ad valorem taxes for sheriff and assessor plans, as provided by state law.

**H. Vacation and Sick Leave**

Full-time employees of the District with more than one year of service are allowed two weeks of vacation leave each year; full-time employees with one year's service or less are allowed one week of vacation leave each year. Sick leave is granted on an individual basis as the need occurs. Vacation and sick leave may not be accumulated and carried into future years.

**I. Total Columns on Financial Statements**

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. The data in these columns does not present financial position or results of operations 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.

**NOTES TO FINANCIAL STATEMENTS**  
**See Accountant's Compilation Report**

**Note 2. Changes in General Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Equipment</u>
Balance, December 31, 2002	\$206,269
Additions - 2003	-
Reductions - 2003	<u>-</u>
Balance, December 31, 2003	<u>\$206,269</u>

**Note 3. Changes in General Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended December 31, 2003:

	<u>Bonded Debt</u>
Long-term obligations payable at December 31, 2002	\$375,000
Additions	-
Reductions	<u>(30,000)</u>
Long-term obligations payable at December 31, 2003	<u>\$345,000</u>

Bonds of the Drainage District are comprised of the following individual issues:

Original issue of \$210,000 General Obligation Bonds dated December 1, 1986, retired in various annual installments, interest rate 7.0% to 11.0%, final maturity December 1, 2006	\$ 65,000
Original issue of \$340,000 Public Improvement Bonds dated May 3, 1997, retired in various annual installments, at various interest rates, final maturity April 1, 2017.	<u>280,000</u>
Total bonds	<u>\$345,000</u>

**NOTES TO FINANCIAL STATEMENTS**  
**See Accountant's Compilation Report**

The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 2003, including interest of \$123,627 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 35,000	\$ 18,777	\$ 53,777
2005	35,000	16,548	51,548
2006	40,000	14,318	54,318
2007	15,000	11,736	26,736
2008	15,000	11,016	26,016
2009-2013	105,000	40,563	145,563
2014-2017	100,000	10,669	110,669
Total	<u>\$ 345,000</u>	<u>\$ 123,627</u>	<u>\$ 468,627</u>

**Note 4. Receivables**

The following is a summary of receivables at December 31, 2003:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Ad valorem tax	\$165,415	\$ 82,553
Revenue sharing	5,171	-
Other	-	453
	<u>\$170,586</u>	<u>\$ 83,006</u>

**SUPPLEMENTARY INFORMATION**

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS  
Year Ended December 31, 2003  
See Accountant's Compilation Report

<u>Name</u>	
Rudy Roche	\$ 800
Randy Stutes	480
Thomas Lalande	420
Roderic Mark Hebert	300
Theodore Charles Girouard	480
Donald Gaspard	<u>240</u>
Total	<u>\$ 2,720</u>

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

The board members receive \$60 per diem for attendance at meetings of the board.



# BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.

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Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

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

\* A Professional Accounting Corporation.

## ACCOUNTANT'S COMPILATION REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish  
Abbeville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Consolidated Gravity Drainage District No. 2-A of Vermilion Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Consolidated Gravity Drainage District No. 2-A of Vermilion Parish 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).

There were no expenditures made during the period for materials and supplies exceeding \$15,000. Nor were there any expenditures made during the period 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 of board members, including the noted information.

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish

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

Management provided us 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. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amendment made to the budget during the period covered.

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 January 9, 2003. The amended budget was adopted on December 11, 2003.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by more than 5%. Actual expenditures exceeded 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, 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 six of the payments were properly coded to the correct fund and general ledger account.



The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish

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

Inspection of the minutes of the Board meetings indicated that each of the six selected disbursements was approved by the Board.

*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).

Consolidated Gravity Drainage District No. 2-A of Vermilion Parish is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were 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 did not note any 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 did not reveal any such payments. We also inspected payroll records for the year and did not note any instances, which would indicate payments to employees, which would constitute bonuses, advances, or gifts.

*Prior Comments and Recommendations*

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

Our prior year report, dated March 31, 2003, included comments and unresolved matters addressed in the summary schedule of prior year findings.

The Board of Commissioners  
of the Consolidated Gravity Drainage  
District No. 2-A of Vermilion Parish

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.

This report is intended solely for the use of management of Consolidated Gravity Drainage District No. 2-A of Vermilion 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, State of Louisiana, as a public document.

*Broussard, Poché, Lewis & Breaux LLP*

Crowley, Louisiana  
March 3, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**  
March 3, 2004 (Date Transmitted)

Broussard, Poché, Lewis & Breaux  
P.O. Drawer 307  
Crowley, LA 70527  
\_\_\_\_\_ (Auditors)

In connection with your compilation of our financial statements as of December 31, 2003 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 \_\_\_\_\_.

**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.

 Secretary 2-15-2004 Date  
 Treasurer \_\_\_\_\_ Date  
 President 2-15-2004 Date

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
Year Ended December 31, 2003

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

Budgeting Compliance

**Finding:** During the year 2003, actual expenditures exceeded budgeted amounts by more than 5% in the General Fund.

**Cause:** An amendment was made to the budget, however, the budget still failed to meet the 5% rule.

**Recommendation and Response:** We recommend, and management agrees, that management monitor the budget more closely and present amendments to the Board for their approval as deemed necessary.

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 bank statements, and enters information into general ledger.

**Recommendation and Response:** We recommend, and management agrees, that duties be segregated in a way as to facilitate an adequate segregation of duties. The Board has evaluated this inadequacy and has concluded that the District cannot afford to hire more administrative employees due the District's limited resources. The cost would exceed benefits.

Uninsured Deposits

**Finding:** We noted that bank deposits at December 31, 2003, were not completely secured by Federal Depository Insurance Company (FDIC) coverage and securities pledged by the financial institution.

**Cause:** The District failed to adequately secure all deposits made for the year ended December 31, 2003.

**Recommendation and Response:** We recommend, and management agrees, that management monitor the balances each month to ascertain whether they are covered by FDIC coverage and securities pledged by the financial institution.

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONTINUED)  
Year Ended December 31, 2003**

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

**Budget Adoption**

**Finding:** A budget was not adopted in open meeting before the beginning of the year as required by the Local Government Act (LSA-RS: 1301-1316).

**Cause:** The District failed to adopt a budget prior to the beginning of the year.

**Recommendation and response:** We recommend, and management agrees, that the District adopt a budget prior to the beginning of the year as required by the Local Government Budget Act.

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

The District did not receive any federal awards for the year ended December 31, 2003.

**Section III. Management Letter**

The District did not receive a management letter for the year ended December 31, 2003.

**Responsible party:** Rudy Roche, President

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended December 31, 2003**

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

**Budgeting Compliance**

**Finding:** During the year 2002, actual expenditures exceeded budgeted amounts by more than 5% and budget was not amended as required by the Local Government Budget Act (LSA-RS 39:1301-1316).

**Cause:** No amendments were made to the budget to meet the 5% rule.

**Recommendation and Response:** We recommend, and management agrees, that management monitor the budget more closely and present amendments to the Board for their approval as deemed necessary.

**Current Status:** During the year 2003, actual expenditures exceeded budgeted amounts by more than 5%. An amendment was made to the budget, however, the budget still failed to meet the 5% rule. This finding is included in the schedule of findings and recommendations.

**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 bank statements, and enters information into general ledger.

**Recommendation and Response:** We recommend that duties be segregated in a way as to facilitate an adequate segregation of duties. The Board has evaluated this inadequacy and has concluded that the District cannot afford to hire more administrative employees due the District's limited resources. The cost would exceed benefits.

**Current Status:** The Board has evaluated this inadequacy and has concluded that the District cannot afford to hire more administrative employees due to the District's limited resources. The cost would exceed benefits. The finding is included in the schedule of findings and recommendations.

**Code of Ethics for Public Officials and Public Employees**

**Finding:** Management failed to provide a list of immediate family members of each board member as defined by the code of ethics, and a list of outside interest of all board members and employees, as well as their immediate families.

**Cause:** Not all board members provided information regarding their immediate families and business interests.

**Recommendation and Response:** We recommend, and management agrees, that management provide a list of immediate family members of each board member as defined by the code of ethics, and a list of outside interests of all board members and employees, as well as their immediate families.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)  
Year Ended December 31, 2003

I. Internal Control and Compliance Material to the Financial Statements (continued)

Code of Ethics for Public Officials and Public Employees (continued)

Current Status: Management provided us with a list of immediate family members and the outside interest of each board member as defined by the code of ethics. Management also provided us with a list of employees.

II. Internal Control and Compliance Material to Federal Awards

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

III. Management Letter

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



CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

MANAGEMENT'S CORRECTIVE ACTION PLAN  
Year Ended December 31, 2003

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

Budgeting Compliance

**Finding:** During the year 2003, actual expenditures exceeded budgeted amounts by more than 5%.

**Cause:** An amendment was made to the budget, however, the budget still failed to meet the 5% rule.

**Recommendation and Response:** We recommend, and management agrees, that management monitor the budget more closely and present amendments to the Board for their approval as deemed necessary.

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 bank statements, and enter information into general ledger.

**Recommendation and Response:** We recommend that duties be segregated in a way as to facilitate an adequate segregation of duties. The Board has evaluated this inadequacy and has concluded that the District cannot afford to hire more administrative employees due the District's limited resources. The cost would exceed benefits.

Uninsured Deposits

**Finding:** We noted that bank deposits at December 31, 2003, were not completely secured by Federal Depository Insurance Company (FDIC) coverage and securities pledged by the financial institution.

**Cause:** The District failed to adequately secure all deposits made for the year ended December 31, 2003.

**Recommendation and Response:** We recommend, and management agrees, that management monitor the balances each month to ascertain whether they are covered by FDIC coverage and securities pledged by the financial institution.

Budget Adoption

**Finding:** A budget was not adopted in open meeting before the beginning of the year as required by the Local Government Act (LSA-RS: 1301-1316).

**Cause:** The District failed to adopt a budget prior to the beginning of the year.

**Recommendation and response:** We recommend, and management agrees, that the District adopt a budget prior to the beginning of the year as required by the Local Government Budget Act.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 2-A  
VERMILION PARISH POLICE JURY

MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)  
Year Ended December 31, 2003

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

*The District did not receive any federal awards for the year ended December 31, 2003.*

**Section III. Management Letter**

*The District did not receive a management letter for the year ended December 31, 2003.*

Responsible party: Rudy Roche, President.