

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana**

**General Purpose Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
December 31, 1983
With Supplemental Information Schedule**

Under provisions of state law, this report is a public document. Copies of the report has been submitted to the entity and other appropriate public officials. This report is available for public inspection at the State's Clerks office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-84

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana

General Purpose Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
December 31, 2009
With Supplemental Information Schedule

C O N T E N T S

	Statement	Page No.
Independent Auditors' Report		2
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
Governmental Fund Type - Combined Statement of Revenues, Expenditures, and Changes in Fund Balance	B	6
Governmental Fund Type - Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C	7
Notes to the Financial Statements		8
	Schedule	Page No.
Supplemental Information Schedule - Schedule of Per Diem Paid Commissioners	1	17
Independent Auditors' Report Required by Government Auditing Standards:		
Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting		19
Schedule of Findings and Questioned Costs	2	21
Summary Schedule of Prior Auditing Findings	3	22



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

THE TOWN OF LITTLE
CHARLES R. MARSHALL, JR., CPA

Independent Auditors' Report

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana**

We have audited the general purpose financial statements of Gravity Drainage District No. 3 of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of December 31, 2003, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Gravity Drainage District No. 3 of Cameron Parish's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Gravity Drainage District No. 3 of Cameron Parish, as of December 31, 2003, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Gravity Drainage District No. 3 of Cameron Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana
Independent Auditors' Report
December 31, 2003

In accordance with Government Auditing Standards, we have also issued a report dated June 15, 2004, on Gravity Drainage District No. 3 of Cameron Parish's compliance with laws, regulations, contracts and grants, and our consideration of the district's internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Little & Associates

Monroe, Louisiana
June 15, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

**GRAVITY DRAINAGE DISTRICT NO. 5
OF CAMERON PARISH
Cameron, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet
December 31, 2013

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and cash equivalents	\$905,199		\$905,199
Receivables	218,786		218,786
Equipment		\$12,188	12,188
TOTAL ASSETS	\$1,143,976	\$12,188	\$1,156,164
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$12,314		\$12,314
Fund Equity:			
Investment in general fixed assets		\$12,188	12,188
Fund balances - unreserved, undesignated	1,130,662		1,130,662
Total Fund Equity	1,130,662	12,188	1,142,850
TOTAL LIABILITIES AND FUND EQUITY	\$1,143,976	\$12,188	\$1,156,164

The accompanying notes are an integral part of this statement.

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARIISH
Cameron, Louisiana
GOVERNMENTAL FUND TYPE**

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2003**

	<u>GENERAL FUND</u>
REVENUES	
Ad valorem taxes	\$236,472
Intergovernmental revenue:	
Federal grants	8,799
State revenue sharing (net)	1,986
Use of money and property	<u>9,734</u>
Total expenditures	<u>375,001</u>
EXPENDITURES	
Current:	
Personal services	29,480
Operating services	35,688
Materials and supplies	<u>3,835</u>
Total expenditures	<u>169,003</u>
EXCESS OF REVENUES OVER EXPENDITURES	166,088
FUND BALANCES AT BEGINNING OF YEAR	<u>964,154</u>
FUND BALANCES AT END OF YEAR	<u>\$1,130,662</u>

The accompanying notes are an integral part of this statement.

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana
GOVERNMENTAL FUND TYPE**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 2015**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$215,000	\$216,471	\$1,472
Intergovernmental revenue:			
Federal grants	6,799	6,799	NONE
State revenue sharing (net)	1,897	1,886	(11)
Use of money and property	8,350	9,774	1,424
Total revenues	<u>240,046</u>	<u>245,921</u>	<u>5,875</u>
EXPENDITURES			
Culture and recreation:			
Current:			
Personal services	42,288	29,480	12,808
Operating services	92,080	71,608	20,472
Materials and supplies		3,851	(3,851)
Total expenditures	<u>134,368</u>	<u>104,941</u>	<u>29,427</u>
EXCESS OF REVENUES OVER EXPENDITURES	105,738	166,080	60,342
FUND BALANCE AT BEGINNING OF YEAR	<u>1,018,588</u>	<u>984,574</u>	
FUND BALANCE AT END OF YEAR	<u>\$1,147,346</u>	<u>\$1,138,652</u>	<u>(\$8,694)</u>

The accompanying notes are an integral part of this statement.

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana**

*Notes to the Financial Statements
As of and for the Year Ended December 31, 2003*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gravity Drainage District No. 3 of Cameron Parish was created on April 6, 1951, as a political subdivision of the State of Louisiana under the provision of Louisiana Revised Statutes 38:1751-1802, and was established for the purpose of opening and maintaining all natural drains in the district whose drainage is accomplished using the natural force of gravity. The district is governed by a board of 5 commissioners who are appointed by the Cameron Parish Police Jury.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron 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 the 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Cameron 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.

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana
Notes to the Financial Statements (Continued)

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 all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Cameron 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.

B. FUND ACCOUNTING

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 related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental fund types. The governmental fund types of the district are described as follows:

General Fund

The General Fund is the general operating fund of the district and

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH

Cameron, Louisiana

Notes to the Financial Statements (Continued)

is used to account for all financial activities not required to be accounted for in other funds.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not recorded in the general fixed asset account group. There were no changes in fixed assets during the year.

The district had no long-term debt as December 31, 2003.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

All ad valorem taxes and the related state revenue sharing are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due

GRAVITY DRAINAGE DISTRICT NO. 3

OF CAMERON PARISH

Cameron, Louisiana

Notes to the Financial Statements (Continued)

and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1953 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January through the tax sale of the ensuing year.

Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as receivable to account.

Expenditures

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

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared for the board of commissioners and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditures. Appropriations lapse at year-end and must be appropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Fiscal/budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the district 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 nation, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana
Notes to the Financial Statements (Continued)**

At December 31, 2003, the district had cash and cash equivalents (bank balances) totaling \$903,190, of which \$73,190 was in demand deposits and \$830,000 was in time deposits.

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.

Bank balances at December 31, 2003, are accrued as follows:

Bank balances	<u>\$903,190</u>
Federal deposit insurance	\$178,686
Pledged securities (uncollateralized)	<u>827,050</u>
Total	<u>\$1,908,926</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20, 106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

G. VACATION/SICK LEAVE POLICY AND PENSION PLAN

The district has no employees; therefore, the district does not have a formal policy on vacation and sick leave and does not contribute to a pension plan.

II. RISK MANAGEMENT

The district is exposed to various risks of loss related to thefts (both of), damage to, and destruction of assets and errors and omissions. To handle such risks of loss, the district maintains surety bond coverage, a general liability policy, and an errors and omissions policy, and automobile liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

GRAVITY DRAINAGE DISTRICT NO. 3
 OF CAMERON PARISH
 Cameron, Louisiana
 Notes to the Financial Statements (Continued)

1. TOTAL COLUMN ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with U. S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The district has an authorized tax millage of 7.50 mills for general maintenance and operations of the district. The tax expires with the 2008 tax roll. For the year ended December 31, 2003, the district levied 6.50 mills.

3. PRINCIPAL TAXPAYERS

The following are the principal taxpayers for the parish and their 2003 assessed valuation (amounts expressed in thousands):

	2003 Assessed Valuation	Percent of Total Assessed Valuation
Onaga Protein, Inc.	\$2,932	6.84%
Alpha Marine Services, LLC	2,332	5.44%
Seabulk Offshore LTD	1,902	4.44%
Cameron Telephone Co.	1,678	3.82%
Trico Marine Assets, Inc.	1,568	3.60%
Tandem, Inc.	1,211	2.80%
Aurora Drilling Fluids LP LLLP	1,205	2.80%
Bavard Drilling Fluids Inc.	1,193	2.79%
Aries Marine Corp	871	2.00%
Hibernia National Bank	824	1.90%
Total	<u>\$42,725</u>	<u>98.73%</u>

4. RECEIVABLES

The General Fund receivables of \$238,786 at December 31, 2003, consisted of ad valorem tax receivable of \$237,482 and state revenue sharing (net) of \$1,304.

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana
Notes to the Financial Statements (Continued)

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2005, nor is it aware of any unasserted claims.

SUPPLEMENTAL INFORMATION SCHEDULE

GRAVITY DRAINAGE DISTRICT NO. 1
OF CAMERON PARISH
Cameron, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 2003

PER DIEM PAID COMMISSIONERS

The schedule of per diem paid commissioners was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 38:1786, board members receive \$50 per diem for each board meeting they attend.

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, LouisianaSchedule of Per Diem Paid Commissioners
For the Year Ended December 31, 2005

E. J. Deane	\$600
Scott Henry, President	720
Edward Rayon, Jr.	600
Joe Duffont	600
Coy Mould	<u>300</u>
Total	<u>\$2,820</u>

**Independent Auditors' Report Required
by Government Auditing Standards**

The following Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards is presented in compliance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. 1000-LITTLE CPA
CHARLES W. MICROSPRUE, JR., CPA

**Independent Auditors' Report on Compliance and
Internal Control Over Financial Reporting Based on
an Audit Performed in Accordance With
Government Auditing Standards**

**GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana**

We have audited the general purpose financial statements of Gravity Drainage District No. 3 of Cameron Parish, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 15, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Gravity Drainage District No. 3 of Cameron Parish's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gravity Drainage District No. 3 of Cameron Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana
*Independent Auditors' Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2003*

This report is intended solely for the information and use of the members of the Gravity Drainage District No. 3 of Cameron Parish, management of the district, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little & Associates

Monroe, Louisiana
June 13, 2004

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Gravity Drainage District No. 3 of Cameron Parish.
2. No instances of noncompliance material to the financial statements Gravity Drainage District No. 3 of Cameron Parish were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

GRAVITY DRAINAGE DISTRICT NO. 3
OF CAMERON PARISH
Cameron, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2003

FINDINGS - FINANCIAL STATEMENTS AUDIT

82-81 No Budget Adopted by Gravity Drainage District No. 3 of Cameron Parish

Findings:

In accordance with the Louisiana Local Government Budget Act, Gravity Drainage District No. 3 of Cameron Parish is required to officially adopt a budget for its general and special revenue funds. For the fiscal year ending December 31, 2002, Gravity Drainage District No. 3 of Cameron Parish did not officially adopt a budget.

Status:

The Board of Commissioners of Gravity Drainage District No. 3 of Cameron Parish performed the following procedures:

- (1) reviewed the provisions of the Louisiana Local Government Budget Act,
- (2) officially adopted an operating budget for the fiscal year ending December 31, 2003,
- (3) monitored and amended the budget for the fiscal year ending December 31, 2003, accordingly, and
- (4) timely adopted its budget for the fiscal year ending December 31, 2004.