

GRAVITY DRAINAGE DISTRICT NO. 5  
OF WARD 4 OF CALCAIEU PARISH

A COMPONENT UNIT OF THE  
CALCAIEU PARISH POLICE JURY  
Tulhaire, Louisiana

ANNUAL FINANCIAL STATEMENTS

As of and For the Year Ended December 31, 2000

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 District Prough office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Prepared Date 7-28-09

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Gravity Drainage District No. 3  
of Ward 4 of Calcasieu Parish  
A Component Unit of the  
Calcasieu Parish Police Jury  
Sulphur, Louisiana

We have audited the accompanying basic financial statements of the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish, as of December 31, 2003, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 2004 on our consideration of the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish, adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements — and Management's Discussion

and Analysis — for State and Local Governments; Statement No. 13, Basic Financial Statements — and Management Discussion and Analysis — for State and Local Governments; Omnibus, Statement No. 16, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of January 1, 2003.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements of the Gravity Drainage District No. 5 of Ward 4 of Calverton Park. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the respective basic financial statements taken as a whole. The management's corrective action plan for current year audit findings has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Suzanne A. Gies, LLC

May 20, 2004

## Management's Discussion and Analysis

As management of the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2003. Please read it in conjunction with the District's Financial Statements and Notes to the Financial Statements.

The MD & A is a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2003) and the prior year (2002) is required to be presented in the MD & A. However, since this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare comparative data and that Statement No. 34 permits the omission of prior year data in the year of implementation, the District's management has elected not to prepare comparative data due to the cost of adjusting prior year's financial statements to the new reporting model. Prior year comparative data will be available in the future to provide a more meaningful comparative analysis of the government-wide data.

### Financial Highlights

- A. The District's assets exceeded its liabilities at the close of the fiscal year ended December 31, 2003 by \$8,714,185 (net assets). Of this amount, \$2,879,851 (restricted net assets) may be used to meet the District's ongoing obligations to creditors.
- B. The District's total net assets increased by \$1,296,873. The reimbursement from the Louisiana Department of Transportation and Development totaling \$632,297 and \$364,524 received from the Calcasieu Parish Police Jury were main contributors to the increase.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury's basic financial statements. The District's basic financial statements are comprised of four components: 1) *Management's Discussion and Analysis* (this section), 2) *the Basic Financial Statements*, 3) *Notes to the Financial Statements* and 4) *Supplemental Information*.

**Government-wide Financial Statements.** The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements, for the first time, combine governmental fund current financial resources with capital assets and long-term obligations.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes).

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been aggregated for specific activities or objectives. The Covington Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the District belong to one category: *governmental funds*.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds. Information is presented in the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for each fund.

The District adopts an annual budget for each fund. A budgetary comparative schedule has been provided for each fund to demonstrate compliance with this budget.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements are a required part of the basic financial statements and can be found as noted in the table of contents of this report.

**Government-wide Financial Analysis of the District**

The following table reflects the condensed Statement of Net Assets for 2003. Prior year data is not presented in the implementation year but will be included in future years for comparison purposes.

**GRAVITY DRAINAGE DISTRICT NO. 5 OF WARD 4 OF CALCASIEU PARISH**  
**A Component Unit of the Calcasieu Parish Police Jury**

**Condensed Statement of Net Assets**  
**December 31, 2003**

|   |                     |
|---|---------------------|
| Current and other assets                        | \$ 6,254,173        |
| Capital assets, net of accumulated depreciation | <u>3,004,537</u>    |
| Total assets                                    | <u>\$ 9,258,710</u> |
| Current liabilities                             | <u>\$ 134,522</u>   |
| Net assets:                                     |                     |
| Invested in capital assets                      | 3,004,537           |
| Unrestricted                                    | <u>5,679,651</u>    |
| Total net assets                                | <u>\$ 8,714,188</u> |

Cash totaling \$1,917,234 represents the largest portion of net assets.

The table below provides a summary of the changes in net assets for the year ended December 31, 2003:

**GRAVITY DRAINAGE DISTRICT NO. 5 OF WARD 4 OF CALCASIEU PARISH**  
A Component Unit of the Calcasieu Parish Police Jury

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended December 31, 2003**

|                                       |                            |
|---------------------------------------|----------------------------|
| <b>Revenues:</b>                      |                            |
| <b>General Revenues:</b>              |                            |
| Ad valorem taxes                      | \$ 2,087,450               |
| Intergovernmental                     | 194,524                    |
| Miscellaneous                         | <u>82,967</u>              |
| <b>Total revenues</b>                 | <b><u>2,364,941</u></b>    |
|                                       |                            |
| <b>Expenses:</b>                      |                            |
| <b>Governmental Activities:</b>       |                            |
| Drainage work                         | <u>1,267,864</u>           |
| <b>Total expenses</b>                 | <b><u>1,267,864</u></b>    |
|                                       |                            |
| <b>Increase in net assets</b>         | <b><u>1,296,677</u></b>    |
|                                       |                            |
| <b>Net assets - beginning of year</b> | <b><u>7,417,511</u></b>    |
| <b>Net assets - end of year</b>       | <b><u>\$ 8,714,188</u></b> |

The District's net assets increased by \$1,296,677 during the current fiscal year. Salaries of \$671,249 make up 53% of total expenses. Insurance of \$173,515 and depreciation expense of \$354,174 make up an additional 56% of total expenses.

**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the District's Governmental Fund reported an ending balance of \$5,248,389 a decrease of \$473,857 in comparison with the prior year. The amount of \$4,609,875 is unreserved fund balance, which is available for spending at the District's discretion.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Total fund balance represents approximately 160% of total general fund expenditures.



The fund balance of the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury's general fund decreased by \$896,373 during the current fiscal year. The District had originally budgeted for a \$832,373 decrease. Key factors for the net decrease are as follows:

- General government revenues in the general fund were approximately \$295,000 more than originally budgeted.
- General government expenditures in the general fund were approximately \$67,000 more than originally budgeted.

#### **General Fund Budgetary Highlights**

Material differences between actual results and budgeted amounts in the general fund are as follows:

- Intergovernmental transfers received of \$394,324 were not included in the original budget.
- Capital outlay was under budgeted \$213,077.

#### **Capital Asset and Debt Administration**

**Capital Assets.** The District's investment in capital assets as of December 31, 2010 amounts to \$1,094,517 (net of accumulated depreciation). This investment in capital assets includes the equipment and infrastructure.

Additional information on the District's capital assets can be found in Note 3 of this report.

#### **Economic Factors**

The Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury continues to expand.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Harvey Boyd, President, Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, 1331 Swinco Road, Sulphur, Louisiana 70663.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO. 3  
 OF WARD 4 OF CALCASIEU PARISH  
 A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
 STATEMENT OF NET ASSETS  
 December 31, 2003

ASSETS

|   |                     |
|---|---------------------|
| Current Assets:                                 |                     |
| Cash  | \$ 3,917,194        |
| Receivables:                                    |                     |
| Taxes (net)                                     | 2,091,408           |
| Reimbursement                                   | 148,343             |
| State Revenue Sharing                           | 34,818              |
| Interest  | 810                 |
| Prepaid Assets                                  | 62,313              |
| TOTAL CURRENT ASSETS                            | <u>6,254,173</u>    |
| Noncurrent Assets:                              |                     |
| Capital Assets, Net of Accumulated Depreciation | <u>3,028,537</u>    |
| TOTAL ASSETS                                    | <u>\$ 9,282,710</u> |

LIABILITIES

|                              |                     |
|------------------------------|---------------------|
| Current Liabilities:         |                     |
| Accounts payable             | \$ 305,281          |
| Payroll taxes payable        | 1,577               |
| Salaries payable             | 35,286              |
| Compensated absences         | 3,668               |
| Retirement system payable    | <u>27,730</u>       |
| TOTAL LIABILITIES            | 373,542             |
| NET ASSETS                   |                     |
| Investment in capital assets | 3,024,537           |
| Unrestricted                 | <u>3,679,651</u>    |
| TOTAL NET ASSETS             | <u>\$ 6,704,188</u> |

The accompanying notes are an integral part of this statement.

GRAVITY DRAINAGE DISTRICT NO. 3  
 OF WARD 4 OF CALCAISEU PARISH  
 A COMPONENT UNIT OF THE CALCAISEU PARISH POLICE JURY  
 STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2003

| FUNCTION/PROGRAM                     | <u>EXPENSES</u>  | <u>PROGRAM REVENUES</u> | <u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS GOVERNMENTAL ACTIVITIES</u> |
|--------------------------------------|------------------|-------------------------|--|
| Drainage Work                        | \$ 1,262,860     | \$ -                    | \$ (1,262,860)   |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b> | <u>1,262,860</u> |                         | <u>(1,262,860)</u>   |
| <i>General Revenues:</i>             |                  |                         |  |
| Ad valorem taxes                     |                  |                         | 2,087,450  |
| State revenue sharing                |                  |                         | 34,918   |
| Interest                             |                  |                         | 47,349   |
| Miscellaneous                        |                  |                         | 309  |
| Intergovernmental                    |                  |                         | <u>794,524</u>   |
| <b>TOTAL GENERAL REVENUES</b>        |                  |                         | <u>2,964,541</u>   |
| CHANGE IN NET ASSETS                 |                  |                         | 1,701,677  |
| NET ASSETS - BEGINNING               |                  |                         | <u>7,412,511</u>   |
| NET ASSETS - ENDING                  |                  |                         | <u>\$ 9,114,188</u>  |

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

GRAVITY DRAINAGE DISTRICT NO. 5 OF WARD 4 OF CALCASIEU PARISH  
 A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
 ALL FUND TYPES  
 BALANCE SHEET  
 December 31, 2003

|  | GOVERNMENTAL FUNDS  |                      |                       | TOTAL               |
|--|---------------------|----------------------|-----------------------|---------------------|
|  | General Fund        | Special Revenue Fund | Capital Projects Fund |                     |
| <b>ASSETS</b>                            |                     |                      |                       |                     |
| Cash .....                               | \$ 3,000,904        | \$ 600,944           | \$ 3,406              | \$ 3,605,254        |
| Receivables:                             |                     |                      |                       |                     |
| Taxes (net) .....                        | 1,682,840           | -                    | -                     | 1,682,840           |
| Reimbursement and other ..               | 140,345             | -                    | -                     | 140,345             |
| State revenue sharing .....              | 34,918              | -                    | -                     | 34,918              |
| Interest .....                           | 591                 | 64                   | -                     | 655                 |
| Prepaid assets .....                     | 67,313              | -                    | -                     | 67,313              |
| <b>TOTAL ASSETS</b>                      | <b>\$ 5,214,392</b> | <b>\$ 605,608</b>    | <b>\$ 3,406</b>       | <b>\$ 5,823,406</b> |
| <b>LIABILITIES AND FUND EQUITY</b>       |                     |                      |                       |                     |
| Liabilities:                             |                     |                      |                       |                     |
| Accounts payable .....                   | \$ 381,261          | \$ -                 | \$ -                  | \$ 381,261          |
| Payroll taxes payable .....              | 1,577               | -                    | -                     | 1,577               |
| Salaries payable .....                   | 86,286              | -                    | -                     | 86,286              |
| Compensated absences .....               | 3,668               | -                    | -                     | 3,668               |
| Retirement system payable ..             | 23,230              | -                    | -                     | 23,230              |
| <b>TOTAL LIABILITIES</b>                 | <b>576,022</b>      | <b>-</b>             | <b>-</b>              | <b>576,022</b>      |
| Fund equity:                             |                     |                      |                       |                     |
| Fund balances:                           |                     |                      |                       |                     |
| Reserved - capital outlay ..             | -                   | 600,944              | 3,406                 | 604,354             |
| Unreserved - undesignated ..             | 4,638,470           | -                    | -                     | 4,638,470           |
| <b>TOTAL FUND EQUITY</b>                 | <b>4,638,470</b>    | <b>600,948</b>       | <b>3,406</b>          | <b>5,242,824</b>    |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b> | <b>\$ 5,214,492</b> | <b>\$ 605,956</b>    | <b>\$ 3,406</b>       | <b>\$ 5,823,854</b> |

The accompanying notes are an integral part of this statement.

GRAVITY DRAINAGE DISTRICT NO. 5  
OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
December 31, 2003

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS  
AT DECEMBER 31, 2003 \$ 5,248,289

Total net assets reported for governmental activities in the Statement of Net  
Assets is different because:

Capital Assets used in governmental activities are not financial resources  
and therefore are not reported in the funds.

Capital Assets, net of accumulated depreciation 1,894,517

Certain property tax revenue receivable that will not be collected within  
60 days of year end are not considered available in the governmental  
funds.

400,262

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES  
AT DECEMBER 31, 2003 \$ 6,714,188

The accompanying notes are an integral part of this statement.

GRANTY (DRAINAGE DISTRICT NO. 5 OF WARD 4 OF CALCASIEU PARISH  
 A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES

For the Year Ended December 31, 2003

|   | General<br>Fund   | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | TOTAL             |
|---|-------------------|----------------------------|-----------------------------|-------------------|
| <b>REVENUES:</b>  |                   |                            |                             |                   |
| Ad valorem taxes - net .....  | \$ 1,872,390      | \$ -                       | \$ -                        | \$ 1,872,390      |
| State revenue sharing .....   | 14,918            | -                          | -                           | 14,918            |
| Interest .....  | 40,147            | 1,518                      | 84                          | 41,749            |
| Miscellaneous .....   | 300               | -                          | -                           | 300               |
| Intergovernmental .....   | 798,124           | -                          | -                           | 798,124           |
| <b>TOTAL REVENUES</b>   | <b>2,124,000</b>  | <b>1,518</b>               | <b>84</b>                   | <b>2,125,602</b>  |
| <b>EXPENDITURES:</b>  |                   |                            |                             |                   |
| <i>Current</i>  |                   |                            |                             |                   |
| Advertising .....   | 612               | -                          | -                           | 612               |
| Auto fees .....   | 1,882             | -                          | -                           | 1,882             |
| Engineer fees .....   | 4,600             | -                          | -                           | 4,600             |
| Fuel & gas .....  | 18,367            | -                          | -                           | 18,367            |
| Insurance .....   | 81,622            | -                          | -                           | 81,622            |
| Insurance - group .....   | 89,890            | -                          | -                           | 89,890            |
| Maintenance & repairs .....   | 57,130            | -                          | -                           | 57,130            |
| Materials & supplies .....  | 51,628            | -                          | -                           | 51,628            |
| Miscellaneous .....   | 1,084             | -                          | -                           | 1,084             |
| Office supplies .....   | 1,523             | -                          | -                           | 1,523             |
| Per diem .....  | 24,000            | -                          | -                           | 24,000            |
| Retirement .....  | 51,589            | -                          | -                           | 51,589            |
| Rights of way agent fees .....  | 1,800             | -                          | -                           | 1,800             |
| Salaries .....  | 672,249           | -                          | -                           | 672,249           |
| Taxes .....   | 6,172             | -                          | -                           | 6,172             |
| Telephone .....   | 1,834             | -                          | -                           | 1,834             |
| Tolls .....   | 4,944             | -                          | -                           | 4,944             |
| Travel .....  | -                 | -                          | -                           | -                 |
| Uniforms .....  | 1,134             | -                          | -                           | 1,134             |
| Utilities .....   | 1,273             | -                          | -                           | 1,273             |
| Capital outlay (Part of<br>\$250,450 commitments)   | 1,781,877         | 111,802                    | -                           | 1,893,679         |
| <b>TOTAL EXPENDITURES</b>   | <b>2,893,267</b>  | <b>111,802</b>             | <b>-</b>                    | <b>3,005,069</b>  |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER<br/>EXPENDITURES .....</b>                                      | <b>(569,267)</b>  | <b>(56,284)</b>            | <b>84</b>                   | <b>(625,467)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                   |                            |                             |                   |
| Operating transfer in (out) .....   | (126,880)         | 118,581                    | (11,687)                    | -                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>AND OTHER SOURCES OVER<br/>EXPENDITURES AND OTHER<br/>USES .....</b> | <b>(696,147)</b>  | <b>62,297</b>              | <b>(11,603)</b>             | <b>(645,453)</b>  |
| <b>FUND BALANCE - BEGINNING -<br/>AS RESTATED</b>   | <b>1,316,446</b>  | <b>172,711</b>             | <b>13,019</b>               | <b>1,502,176</b>  |
| <b>FUND BALANCE - ENDING</b>  | <b>\$ 620,299</b> | <b>\$ 235,008</b>          | <b>\$ 1,416</b>             | <b>\$ 856,723</b> |

The accompanying notes are an integral part of this statement.



**GRAVITY DRAINAGE DISTRICT NO. 5 OF WARD 4 OF CALCAESU PARISH  
A COMPONENT UNIT OF THE CALCAESU PARISH POLICE JURY**

**General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2003**

|  | Budgeted Amounts  |                   | Actual Amounts    | Variance with<br>Final Budget<br>(Favorable) |
|--|-------------------|-------------------|-------------------|--|
|  | Enacted           | Final             |                   |  |
| <b>REVENUES:</b>   |                   |                   |                   |  |
| Ad valorem taxes - net   | \$ 1,044,548      | \$ 1,040,588      | \$ 1,051,294      | \$ 10,706                                    |
| State revenue sharing  | 11,000            | 10,500            | 14,918            | 4,418  |
| Severance  | 48,400            | 48,400            | 41,717            | (6,683)                                      |
| Miscellaneous  | 1,000             | 1,000             | 898               | (1,102)                                      |
| Intergovernmental  | -                 | -                 | 754,124           | 754,124                                      |
| <b>TOTAL REVENUES</b>  | <u>1,104,948</u>  | <u>1,109,488</u>  | <u>2,663,951</u>  | <u>553,473</u>                               |
| <b>EXPENDITURES:</b>   |                   |                   |                   |  |
| Current:   |                   |                   |                   |  |
| Advertising  | 400               | 400               | 413               | (13)   |
| Appropriations   | 1,100             | 1,100             | -                 | 1,100  |
| Auto fuel  | -                 | -                 | 1,883             | (1,883)                                      |
| Employee fees  | 4,000             | 4,000             | 4,000             | -  |
| Equipment rental   | 1,000             | 1,000             | -                 | 1,000  |
| Fuel & gas   | 24,000            | 24,000            | 28,287            | (4,287)                                      |
| Insurance  | 40,000            | 40,000            | 43,600            | (3,600)                                      |
| Interest - grant   | 100,000           | 100,000           | 89,896            | 10,104                                       |
| Maintenance & repairs  | 48,100            | 48,100            | 51,536            | (3,436)                                      |
| Materials & supplies   | 111,000           | 111,000           | 93,408            | 17,592                                       |
| Miscellaneous  | 70,000            | 70,000            | 1,884             | 68,116                                       |
| Office supplies  | 1,000             | 1,000             | 1,000             | -  |
| Payroll  | 24,000            | 24,000            | 24,000            | -  |
| Reimburse  | 45,000            | 45,000            | 45,000            | -  |
| Rights of way agent fees   | 1,500             | 1,500             | 1,888             | (388)  |
| Salaries   | 700,000           | 700,000           | 672,289           | 27,711                                       |
| Taxes  | 4,000             | 4,000             | 4,170             | (170)  |
| Telephone  | 1,000             | 1,000             | 1,000             | -  |
| Tools  | 1,000             | 1,000             | 4,400             | (3,400)                                      |
| Travel   | 800               | 800               | -                 | 800  |
| Utilities  | 1,000             | 1,000             | 1,174             | (174)  |
| Utilities  | 1,000             | 1,000             | 7,370             | (6,370)                                      |
| Capital outlay (Net of \$200,000 reimbursements)   | 1,200,000         | 1,200,000         | 1,200,000         | -  |
| <b>TOTAL EXPENDITURES</b>  | <u>2,026,280</u>  | <u>2,124,380</u>  | <u>2,813,700</u>  | <u>(687,420)</u>                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>                                       | (921,332)         | (1,014,900)       | (1,149,749)       | 133,568                                      |
| <b>OTHER FINANCING SOURCES (USED):</b>   |                   |                   |                   |  |
| Operating transfers in-net   | 110,584           | 110,584           | 100,000           | 10,584                                       |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND<br/>OTHER SOURCES OVER EXPENDITURES<br/>AND OTHER LOANS</b> | (810,748)         | (904,316)         | (1,049,749)       | 138,568                                      |
| <b>FUND BALANCE - BEGINNING, AS RECAPED</b>  | <u>1,126,496</u>  | <u>1,126,496</u>  | <u>1,026,496</u>  | -  |
| <b>FUND BALANCE - ENDING</b>   | <u>\$ 315,748</u> | <u>\$ 222,180</u> | <u>\$ 976,747</u> | <u>\$ 754,567</u>                            |

The accompanying notes are an integral part of this statement.

**GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY**

**Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2000**

|   | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Fiscal Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|--|
|   | Original          | Final             |                   |  |
| <b>REVENUES:</b>  |                   |                   |                   |  |
| Interest  | \$ 10,000         | \$ 4,000          | \$ 3,518          | \$ 1,518   |
| <b>TOTAL REVENUES</b>   | <u>10,000</u>     | <u>4,000</u>      | <u>3,518</u>      | <u>1,518</u>   |
| <b>EXPENDITURES:</b>  |                   |                   |                   |  |
| Capital outlay  | 80,000            | 80,000            | 111,802           | (31,802)   |
| <b>TOTAL EXPENDITURES</b>   | <u>80,000</u>     | <u>80,000</u>     | <u>111,802</u>    | <u>(31,802)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>                                      | (70,000)          | (76,000)          | (108,284)         | 30,284   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                   |                   |                   |  |
| Operating transfer in (out)   | 128,581           | 128,581           | 128,581           | -  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>AND OTHER SOURCES OVER<br/>EXPENDITURES AND OTHER USES</b> | 58,581            | 52,581            | 20,297            | (38,284)   |
| <b>FUND BALANCE - BEGINNING</b>   | <u>573,711</u>    | <u>573,711</u>    | <u>573,711</u>    | <u>-</u>   |
| <b>FUND BALANCE - ENDING</b>  | <u>\$ 632,292</u> | <u>\$ 626,292</u> | <u>\$ 594,008</u> | <u>\$ (38,284)</u>                                       |

The accompanying notes are an integral part of this statement.

**GRAVITY DRAINAGE DISTRICT NO. 5 OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY**

**Capital Projects Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2000**

|   | Balanced Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>  |                  |                  |                   |   |
| Interest  | \$ 200           | \$ 80            | \$ 84             | \$ 4  |
| <b>TOTAL REVENUES</b>   | <u>200</u>       | <u>80</u>        | <u>84</u>         | <u>4</u>  |
| <b>EXPENDITURES:</b>  |                  |                  |                   |   |
| <b>TOTAL EXPENDITURES</b>   | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>-</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>                                      | 200              | 80               | 84                | 4   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                  |                  |                   |   |
| Opening transfer in (out)   | -                | -                | (11,693)          | (11,693)  |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND<br/>OTHER SOURCES OVER EXPENDITURES<br/>AND OTHER USES</b> | 200              | 80               | (11,609)          | (11,609)  |
| <b>FUND BALANCE - BEGINNING</b>   | <u>15,019</u>    | <u>15,019</u>    | <u>15,019</u>     | <u>-</u>  |
| <b>FUND BALANCE - ENDING</b>  | <u>\$ 15,219</u> | <u>\$ 15,099</u> | <u>\$ 3,410</u>   | <u>\$ (11,609)</u>                                      |

The accompanying notes are an integral part of this statement.

GRAVITY DRAINAGE DISTRICT NO. 5  
 OF WARD 4 OF CALCASIEU PARISH  
 A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
 RECONCILIATION OF THE STATEMENTS OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2003

Amounts reported for governmental activities in the statement of activities are different because:

|  |    |                    |                  |
|--|----|--------------------|------------------|
| NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS (DECREASE)   |    | \$                 | (673,887)        |
| Governmental funds report capital outlays as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense: |    |                    |                  |
| Capital outlay   | \$ | 1,892,879          |                  |
| Depreciation expense   |    | <u>(1,218,992)</u> | 1,733,768        |
| Certain property tax revenues receivable will not be collected for several months after year end and are not considered available in the governmental funds.   |    |                    | 431,362          |
| Certain property tax revenues from prior year were not collected until after 60 days into the current year. These amounts were not considered available in last year's governmental funds and have been included in the current year's revenues in governmental funds.                     |    |                    | <u>(196,033)</u> |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES  |    | \$                 | <u>1,286,627</u> |

The accompanying notes are an integral part of this statement.

**GRAVITY DRAINAGE DISTRICT NO. 5  
OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2003**

**INTRODUCTION**

Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish was created by the Calcasieu Parish Police Jury, as authorized by Louisiana Revised Statute 30:1751. The District is governed by a board of five compensated commissioners appointed by the Calcasieu Parish Police Jury and is authorized to construct, maintain and improve the system of gravity drainage within the District. The District has 17 employees in addition to the five board members.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish is considered a component unit of Calcasieu Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into these financial statements or separately reported as discrete component units.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

**B. Reporting Entity**

The District is a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

GRAVITY DRAINAGE DISTRICT NO. 3  
OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2003

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, reimbursements, and interest associated with the current fiscal period are all considered to be measurable to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Interfund transfers are made to meet current or anticipated needs of the District.

The Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for the accumulation of financial resources for equipment acquisitions.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Deposits and Investments**

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish's investment policy allow the entity to invest in collateralized certificates of deposits, government bank securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**E. Budgets and Budgetary Accounting**

A budget is adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. In November of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

**F. Prepaid Items**

The District records as prepaid assets, expenditures during the current period that will benefit the subsequent period.

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OF WARD 4 OF CALCAIEU PARISH  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., drainage structures, bridges, and similar items), are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District has no established capitalization threshold and has elected not to retroactively report infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u>                  | <u>Estimated<br/>Lives</u> |
|-------------------------------------|----------------------------|
| Infrastructure assets               | 35 years                   |
| Buildings and building improvements | 40 years                   |
| Furniture and fixtures              | 5-12 years                 |
| Vehicles                            | 3 years                    |
| Equipment                           | 10 years                   |

**H. Compensated Absences**

The District allows employees to accumulate unlimited unused sick leave. Earned vacation time is expected to be used within one year of accrual with a maximum of one week carryforward to the next year, if not used. The liability for accrued sick leave could not be reasonably estimated.

**I. Fund Equity**

Designated fund balances represent those portions of fund equity legally segregated for capital outlay.

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates



GRAVITY DRAINAGE DISTRICT NO. 5  
 OF WARD 4 OF CALCASIEU PARISH  
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 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - AD VALOREM TAXES**

For the year ended December 31, 2003 taxes of 4.59 mills were levied on property with assessed valuations totaling \$432,152,384 and were dedicated as follows:

|                                  |            |
|----------------------------------|------------|
| General corporate purposes ..... | 4.59 mills |
|----------------------------------|------------|

Total taxes levied were \$2,156,640.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At December 31, 2003, the District has cash and cash equivalents (bank balances) totaling \$1,917,334 as follows:

|  |                     |
|--|---------------------|
| Demand deposits .....                  | \$ -                |
| Interest-bearing demand deposits ..... | 1,912,334           |
| Time deposits .....                    | 2,085,600           |
| Other .....                            | 40                  |
| Total                                  | <u>\$ 3,998,074</u> |

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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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**NOTE 3 - CASH AND CASH EQUIVALENTS**

At December 31, 2003, the District has \$3,843,502 in deposits (collected bank balances). These deposits are secured from risk by \$168,000 of Federal deposit insurance and \$3,643,502 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, 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.

**NOTE 4 - RECEIVABLES**

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

| Class of Receivable    | General      | Special | Total        |
|------------------------|--------------|---------|--------------|
|                        | Fund         | Fund    |              |
| Ad valorem taxes ..... | \$ 2,093,408 | \$ -    | \$ 2,093,408 |
| Other .....            | 176,118      | 68      | 176,118      |
| Total                  | \$ 2,269,526 | \$ 68   | \$ 2,269,526 |

The District's receivables consist of ad valorem taxes receivable, interest receivable from bank deposits, and revenue and construction reimbursement receivable from the State of Louisiana. Due to the composition of its receivables, any bad debts would be immaterial to the financial statements and therefore an allowance for bad debts has not been recorded.

**NOTE 5 - CHANGES IN CAPITAL ASSETS**

The following presentation contains assets from the general fixed asset account group at December 31, 2003:

|  | Land       | Buildings  | Equipment    | Drainage Infrastructure | Total        |
|--|------------|------------|--------------|-------------------------|--------------|
| Cost at December 31, 2002 (as reported in the general fixed asset account group) | \$ 183,946 | \$ 384,808 | \$ 1,548,150 | \$ -                    | \$ 2,116,904 |
| Items no longer used by the District   | -          | (181,150)  | (681,400)    | -                       | (862,550)    |

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**NOTE 3 - CHANGES IN CAPITAL ASSETS**

|  | Land              | Buildings         | Equipment         | Debtors<br>Receivable | Total               |
|--|-------------------|-------------------|-------------------|-----------------------|---------------------|
| Cost at December 31, 2002 -<br>Revised                                     | 193,086           | 554,116           | 1,340,831         | -                     | 2,111,050           |
| Accumulated depreciation   | -                 | (23,896)          | (896,870)         | -                     | (720,776)           |
| Capital assets, net of accumulated<br>depreciation at December 31,<br>2002 | <u>\$ 193,086</u> | <u>\$ 530,220</u> | <u>\$ 443,961</u> | <u>\$ -</u>           | <u>\$ 1,167,267</u> |
| Current year roll-forward:   |                   |                   |                   |                       |                     |
| Cost at December 31, 2000  | \$ 193,086        | \$ 554,116        | \$ 1,340,831      | \$ -                  | \$ 2,111,050        |
| Additions  | -                 | -                 | 122,437           | 1,736,422             | 1,858,859           |
| Deletions  | -                 | -                 | (22,443)          | -                     | (22,443)            |
| Cost at December 31, 2000  | <u>193,086</u>    | <u>554,116</u>    | <u>1,340,831</u>  | <u>1,736,422</u>      | <u>3,024,455</u>    |
| Depreciation:  |                   |                   |                   |                       |                     |
| Accumulated depreciation   |                   |                   |                   |                       |                     |
| December 31, 2002  | -                 | (23,896)          | (896,870)         | -                     | (720,776)           |
| Additions  | -                 | (12,470)          | (107,280)         | (31,488)              | (151,228)           |
| Deletions  | -                 | -                 | -                 | -                     | -                   |
| Accumulated depreciation -<br>December 31, 2000                            | <u>-</u>          | <u>(36,376)</u>   | <u>(904,150)</u>  | <u>(31,488)</u>       | <u>(972,000)</u>    |
| Capital assets, net of accumulated<br>depreciation at December 31,<br>2000 | <u>\$ 193,086</u> | <u>\$ 517,740</u> | <u>\$ 436,721</u> | <u>\$ 1,704,934</u>   | <u>\$ 1,852,481</u> |

**NOTE 4 - RETIREMENT SYSTEM**

*Plan Description.* Substantially all employees of the District are members of the Parishial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable

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**NOTE 6 - RETIREMENT SYSTEM**

service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 54619, Baton Rouge, Louisiana 70899-4619, or by calling (225) 928-3161.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 3.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by R.S. 12:1001, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 2000, 2002, and 2001 were \$51,389, \$58,298, and \$48,503 respectively, equal to the required contributions for each year.

**NOTE 7 - COMPENSATED ABSENCES**

At December 31, 2003, employees of the District have accumulated and vested \$1,668 of employee leave benefits, which was computed in accordance with GASB Codification Section C68. Of this amount, \$3,668 is recorded as an obligation of the General Fund.

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains

GRAVITY DRAINAGE DISTRICT NO.5  
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**NOTE 8 - RISK MANAGEMENT**

commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 9 - COMMITMENTS**

The District has ongoing capital outlay commitments relative to drainage and flood control projects. Management believes future revenues and fund balances currently available are more than sufficient to cover these commitments.

**NOTE 10- GENERAL FUND BALANCE RESTATED**

The District has restated the General Fund ending balance at December 31, 2002 to reflect property taxes originally shown as receivable of \$156,383 which were not collected within 60 days after year end.

|   |                     |
|---|---------------------|
| General Fund balance, December 31, 2002 - as previously reported      | \$ 5,331,548        |
| Reduction for property taxes not available within 60 days of year end | <u>(156,383)</u>    |
| General Fund balance, December 31, 2002 - as restated                 | <u>\$ 5,175,165</u> |

**SUPPLEMENTAL INFORMATION SCHEDULES**

**GRAVITY DRAINAGE DISTRICT NO. 3  
OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 2001**

**COMPENSATION PAID BOARD MEMBERS**

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. L.A. Rev. Statute 18:1794 authorizes the District to pay each board member \$100 for each meeting attended, up to 48 meetings per year.

GRAVITY DRAINAGE DISTRICT NO. 3  
OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS  
For the Year Ended December 31, 2000

| <u>Name</u>        | <u>Amount</u>    |
|--------------------|------------------|
| Harvey Boyd        | \$ 4,000         |
| Johnnie Hardy, Sr. | 4,000            |
| Don Nasser         | 4,000            |
| Neil Nelson        | 4,000            |
| Louis Appleby      | 4,000            |
| Total              | <u>\$ 20,000</u> |

The accompanying notes are an integral part of this statement.



GRAVITY DRAINAGE DISTRICT NO. 5  
 OF WARD 4 OF CALCASIEU PARISH  
 A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
 SUPPLEMENTAL INFORMATION SCHEDULE  
 SCHEDULING OF FINDINGS  
 For the Year Ended December 31, 2003

We have audited the financial statements of the Gravity Drainage District No. 5 of Ward 4 of Calcasieu Parish as of and for the year ended (December 31, 2003), and have issued our report dated May 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**Report on Internal Control and Compliance Material to the Financial Statements**

|   |   |                             |
|---|---|-----------------------------|
| <b>Internal Control:</b>                    |   |                             |
| Material Weaknesses                         | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Reportable Conditions                       | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>Compliance:</b>                          |   |                             |
| Compliance Material to Financial Statements | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

**Section II Financial Statement Findings**

**2003-1 1/C (Material weakness)**

**Segregation of duties.** Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, and reconciling the bank statements. We do note that this situation is inherent in most entities of this type and is difficult to solve due to the funding limitations of the District. We recommend that the commissioners take an active interest in the review of all of the financial information. This was also a prior year finding.

**2003-2 1/C (Material weakness)**

**2003-1 C**

**Budgetary authority and control**

|                        |   |
|------------------------|---|
| <b>Condition:</b>      | Capital expenditures in the special revenue fund were \$111,802. The budgeted amount was \$80,080. Expenditures exceeded the budget by 39.8%. The Capital Projects Fund transferred \$11,697 to the General Fund. No amount for transfers was budgeted. |
| <b>Criteria:</b>       | La. Rev. Stat. §39:1310- whenever total budget expense exceeds the total actual expense by 2% or more, the budget should be amended.  |
| <b>Effect:</b>         | Violation of La. Rev. Stat. §39:1310-Budgetary authority and control.   |
| <b>Cause:</b>          | Administrative oversight.   |
| <b>Recommendation:</b> | The District should compare actual to budget expenses at the fund level each month and amend the budget if necessary.   |

GRAVITY DRAINAGE DISTRICT NO. 5  
OF WARD 4 OF CALCASIEU PARISH  
A COMPONENT UNIT OF THE CALCASIEU PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT  
YEAR AUDIT FINDINGS (UNAUDITED)  
For the Year Ended December 31, 2003

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

**2003-1 IC Segregation of duties:**

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person - Harvey Boyd, President

**2003-2 IC Budgetary authority control:**

**2003-1 IC:**

**Recommendation:** The District should compare actual to budget expenses at the fund level each month and amend the budget if necessary.

**Planned action:** Close attention to the budget process for all funds will be taken in the future.

Contact person - Harvey Boyd, President

GRAVITY DRAINAGE DISTRICT NO.5  
OF WARD 4 OF CALCAISEU PARISH  
A COMPONENT UNIT OF THE CALCAISEU PARISH POLICE JURY  
SUPPLEMENTAL INFORMATION SCHEDULE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2009

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

**2003-1 IC (Ongoing finding) Segregation of duties:**

**Corrective action taken –** Due to lack of sufficient financial resources, this finding cannot be resolved. See 2003-1 IC.

**2003-3 IC (12/31/09) Budgetary authority control:**

The District should compare actual to budgeted revenue at the fund level each month and amend the budget if necessary.

**Corrective action taken –** Yes. The budget revenue was amended during the year.

**2003-3 IC Credit sales transfers**

**2003-3 C**

**Corrective action taken –** Yes.

INDEPENDENT AUDITOR'S REPORT SECTION

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Gravity Drainage District No. 3  
of Ward 4 of Calcasieu Parish  
A Component Unit of the  
Calcasieu Parish Police Jury  
Sulphur, Louisiana

We have audited the basic financial statements of the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance 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 instances of non-compliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-1 C.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Gravity Drainage District No. 3 of Ward 4 of Calcasieu Parish's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2003-1 DC and 2003-2 DC.

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 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.

Board of Commissioners  
Gravity Drainage District No.3  
of Ward 4 of Calcasieu Parish  
& Component Unit of the  
Calcasieu Parish Police Jury  
Page 2

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2003-1 IC and 2003-2 IC to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Commissioners, the Police Jury of Calcasieu, State of Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be used 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.



Steven A. Gass, LLC  
May 20, 2004