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**FINANCIAL REPORT OF THE  
DURALDE GRAVITY DRAINAGE DISTRICT NO. 4  
EVANGELINE PARISH, LOUISIANA  
FOR THE YEAR ENDED  
DECEMBER 31, 2003**

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

Release Date 9.1.04

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**ANNUAL FINANCIAL STATEMENTS**

June 16, 2004

Office of the Legislative Auditor  
1600 Riverside North  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Duralde Gravity Drainage District No. 4 of Evangeline Parish, Louisiana as of and for the year ended December 31, 2003. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



---

Enclosure

# MICHAEL W. JOHNSON

*Certified Public Accountant*  
(A PROFESSIONAL CORPORATION)  
105 North 11th Street - Post Office Box 529  
EUNICE, LOUISIANA 70535  
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To the Board of Commissioners  
Duralde Gravity Drainage District No. 4  
of Evangeline Parish, Louisiana  
Ville Platte, Louisiana

I have compiled the accompanying component unit financial statements of the Duralde Gravity Drainage District No. 4 of Evangeline Parish, Louisiana as of and for the year ended December 31, 2003, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Duralde Gravity Drainage District No. 4. I have not audited or reviewed the accompanying component unit financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated June 16, 2004, on the results of our agreed-upon procedures.

*Michael W. Johnson*  
Michael W. Johnson  
Certified Public Accountant

June 16, 2004  
Eunice, Louisiana

**COMPONENT UNIT FINANCIAL STATEMENTS**

(Combined Statement Overview)

**DURALDE GRAVITY DRAINAGE DISTRICT NO. 4**  
**OF EVANGELINE PARISH, LOUISIANA**

**Combined Balance Sheet, All Fund Types and**  
**Account Groups – December 31, 2003**

<b><u>ASSETS</u></b>	<b><u>GENERAL FUND</u></b>
Assets:	
Cash and cash equivalents	\$373,113
Ad Valorem Taxes Receivable	<u>40,415</u>
 TOTAL ASSETS	 <u>\$413,528</u>
 <b><u>LIABILITIES AND EQUITY</u></b>	
Liabilities:	
Taxes Paid Under Protest	\$ <u>12,052</u>
 TOTAL LIABILITIES	 \$ <u>12,052</u>
Equity:	
Fund Balance	
Unreserved-undesignated	\$401,476
Total Fund Balance	<u>\$401,476</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$413,528</u>

The accompanying notes are an integral part of this statement.

**DURALDE GRAVITY DRAINAGE DISTRICT NO. 4**  
**OF EVANGELINE PARISH, LOUISIANA**

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

	<b><u>GENERAL</u></b> <b><u>FUND</u></b>
<b><u>REVENUES:</u></b>	
Ad Valorem taxes	\$ 37,044
State Revenue Sharing	<u>3,388</u>
Total Revenues	<u>\$ 40,432</u>
<b><u>EXPENDITURES</u></b>	
Current Operating	
Accounting	\$ 575
Board Member Per Diem	3,835
Secretary Expense	2,625
Capital Outlay	30,242
Insurance	125
Pension Expense	1,183
Bank Charges	<u>12</u>
Total Expenditures	<u>\$ 38,597</u>
<b><u>Other Financing Sources:</u></b>	
Interest	<u>\$ 10,052</u>
Total Other Financing Sources	<u>\$ 10,052</u>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES</u></b> <b><u>OVER EXPENDITURES AND OTHER FINANCING USES</u></b>	 <b>\$ 11,887</b>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	 <u>389,589</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	 <u>\$401,476</u>

The accompanying notes are an integral part of this statement.

**DURALDE GRAVITY DRAINAGE DISTRICT NO. 4**  
**OF EVANGELINE PARISH, LOUISIANA**

**Comparative Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances-**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2003**

	<b><u>GENERAL</u></b>	
	<b><u>FUND</u></b>	
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>
<b><u>REVENUES:</u></b>		
Ad Valorem taxes	\$ 40,000	\$ 37,044
State Revenue Sharing	<u>2,400</u>	<u>3,388</u>
Total Revenues	<u>\$ 42,400</u>	<u>\$ 40,432</u>
<b><u>EXPENDITURES</u></b>		
Current Operating		
Accounting	\$ 575	\$ 575
Board Member Per Diem	3,000	3,835
Secretary Expense	2,100	2,625
Capital Outlay	15,300	30,242
Insurance	100	125
Pension Expense	1,200	1,183
Bank Charges	<u>12</u>	<u>12</u>
Total Expenditures	<u>\$ 22,287</u>	<u>\$ 38,597</u>
<b><u>Other Financing Sources:</u></b>		
Interest	<u>\$ 1,245</u>	<u>\$ 10,052</u>
Total Other Financing Sources	<u>\$ 1,245</u>	<u>\$ 10,052</u>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES</u></b>		
<b><u>OVER EXPENDITURES AND OTHER FINANCING USES</u></b>	<u>\$ 21,358</u>	<u>\$ 11,887</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>389,589</u>	<u>389,589</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$410,947</u>	<u>\$401,476</u>

The accompanying notes are an integral part of this statement.



**DURALDE GRAVITY DRAINAGE DISTRICT NO. 4**  
**EVANGELINE PARISH, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Duralde Gravity Drainage District No. 4 of Evangeline Parish was created by the Evangeline Parish Police Jury, as provided by Louisiana Revised Statute 38:1751. The district is administered by a board of commissioners consisting of five members appointed by the police jury. The district was created to provide drainage protection for the citizens of the district.

The financial statements of the Duralde Gravity Drainage District No. 4 have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting standards. The most significant of the district's policies are described below.

Reporting Entity

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included with the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Evangeline Parish Police Jury appoints the governing board and controls the scope of public service, the district was determined to be a component unit of the Evangeline Parish Police Jury, the governing body of the parish and the governmental body with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

DURALDE GRAVITY DRAINAGE DISTRICT NO.4  
NOTES TO FINANCIAL STATEMENTS (continued)

Fund Accounting

The accounts of the district are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into Governmental Fund Types and Account Groups as follows:

**Governmental Funds**

General Fund – The General Fund is the General Operating Fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.

**Fixed Assets and Long-Term Liabilities**

The district does not own any fixed assets and does not have any long-term liabilities at December 31, 2003.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad Valorem taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

Expenditures are generally recognized under the Modified Accrual Basis of Accounting when the related fund liability is incurred.

DURALDE GRAVITY DRAINAGE DISTRICT NO.4  
NOTES TO FINANCIAL STATEMENTS ( continued)

Budgets and Budgetary Accounting

The district adopts a budget annually. The budget is prepared on a basis consistent with Generally Accepted Accounting Principles (GAAP) and is adopted by the board of commissioners in an open meeting prior to the commencement of the year for which the budget is being adopted.

When actual revenues are failing to meet budgeted revenues by five percent or more and/or actual expenditures are exceeding budgeted expenditures by five percent or more, the board of commissioners adopts an amended budget in an open meeting before year-end.

All appropriations lapse at year-end.

Ad Valorem Taxes

Ad Valorem Taxes are levied by the Evangeline Parish Sheriff's Department in September or October and are actually billed to the taxpayers in November. Taxes are due by December 31 of that year and are normally collected in December of the current year and in January and February of the following year. Billed taxes attach as an enforceable lien on property and become delinquent on January 1 of each year following the year the taxes are levied.

The Evangeline Parish Sheriff's Department bills and collects ad valorem taxes using the assessed values determined by the parish assessor. The Evangeline Parish Tax Collector sends the district's share of the ad valorem taxes collected directly to the district's board of commissioners.

Revenues from ad valorem taxes are budgeted in the year levied.

**NOTE B- LITIGATION**

Management has asserted that there is no pending or threatened litigation against the district.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4  
NOTES TO FINANCIAL STATEMENTS (continued)

**NOTE C- SCHEDULE OF COMMISSIONERS' COMPENSATION**

A schedule of compensation paid to the Board of Commissioners is as follows:

Archie Manuel	\$390
Clem Manuel	910
J.D. Fontenot	975
Kern Ardoin	910
Paul Berzas	520
Shane McGee	<u>130</u>
Total	<u>\$3,835</u>

**NOTE D – TAXES PAID UNDER PROTEST**

None of the ad valorem taxes collected by the district during the year ended December 31, 2003, were paid under protest. State law provides that protested money can only be used for non-recurring expenses except for any such funds pledged as security for any bonds or other evidences of indebtedness. If the taxpayers prevail in court, they have the choice of taking a credit on future taxes or requesting a refund from the district. If the Louisiana Tax Commission prevails in court, the district will have to remit 10% of the protested amount to the Louisiana Tax Commission.

The district shows each year's protested collections as an expenditure in the financial statements.

# MICHAEL W. JOHNSON

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OF  
LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT ACCOUNTANT'S REPORT** **ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners  
Duralde Gravity Drainage District No. 4 of  
Evangeline Parish, Louisiana  
Ville Platte, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Duralde Gravity Drainage District No. 4 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Duralde Gravity Drainage District No. 4's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000 or public works exceeding \$100,000.

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

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with negative confirmations from five of the six members of the Board of Commissioners (Finding No. 2003-1) stating that they and their immediate family members are not involved in any way with any of the vendors that the district purchases from.

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

No employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

No employees.

#### **Budgeting**

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held on November 4, 2002. No amendments were made to the budget during the year.

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

We compared the budgeted revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by more than 5%. However, actual expenditures exceeded budgeted expenditures by more than 5% (Finding No. 2003-2).



### **Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and:
- a. trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. determine if payments were properly coded to the correct fund and general ledger account.

All six of the payments were properly coded to the correct fund and general ledger account.

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

Each of the six selected disbursements were traced to the district's minute book where they were approved by the full commission.

### **Meetings**

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

Duralde Gravity Drainage District No. 4 is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has asserted that such documents were properly posted.

### **Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**Advances and Payroll**

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

No employees.

My prior year report, dated May 28, 2003, included findings which were unresolved (see accompanying Schedule of Prior Year Findings, page 16).

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Duralde Gravity Drainage District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Michael W. Johnson  
Certified Public Accountant

June 16, 2004  
Eunice, Louisiana



DURALDE GRAVITY DRAINAGE DISTRICT NO. 4  
1401 POINCIANA AVENUE  
MAMOU, LA 70554

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

June 23, 2004 (Date Transmitted)

Michael W. Johnson CPA, APC  
P.O. Box 529  
Eunice, LA 70535  
\_\_\_\_\_  
(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes  No [ ]

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

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No [ ]

### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No [ ]

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No [ ]

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No [ ]

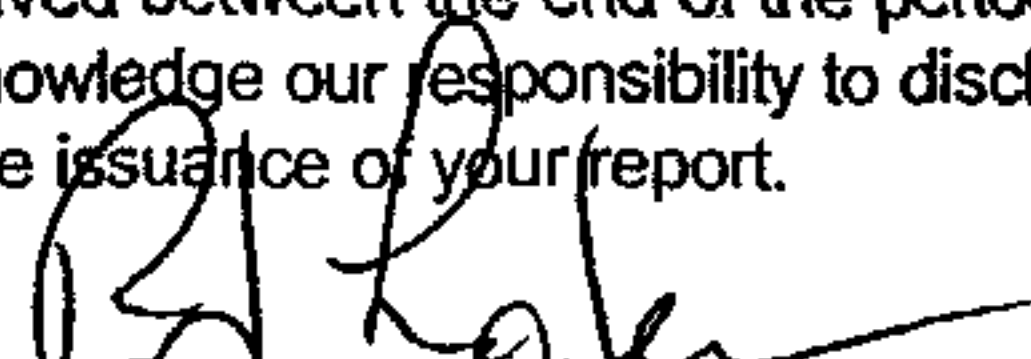
### Advances and Bonuses

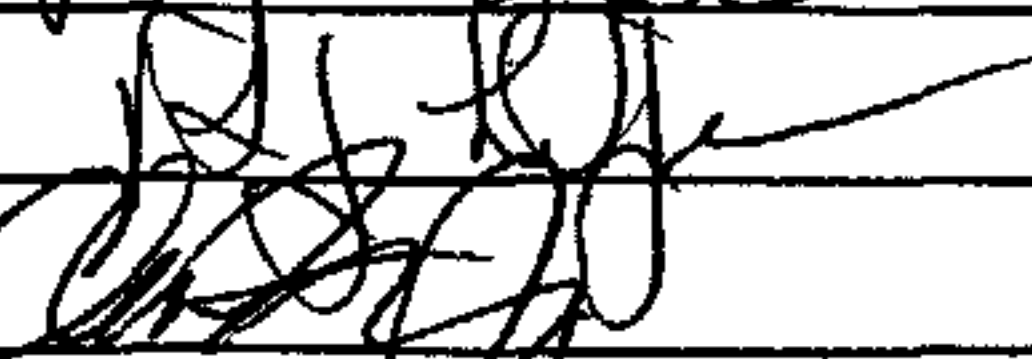
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.


Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

  
\_\_\_\_\_  
Secretary 6/23/04 Date

  
\_\_\_\_\_  
Treasurer 6/23/04 Date

  
\_\_\_\_\_  
President 6/23/04 Date

**DURALDE GRAVITY DRAINAGE DISTRICT NO. 4**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

- |   |             |
|---|-------------|
| <b>Finding No. 2002-1. Failure to provide a list of outside business interests of all board members and their immediate family members. Management should provide a list of outside business interests of all board members and their immediate family members.</b> | Unresolved. |
| <b>Finding No. 2002-2. Budget adopted after beginning of year. Management should adopt a budget for its general fund before the start of each year.</b>   | Resolved.   |
| <b>Finding No. 2002-3. Failure to obtain approval from the Evangeline Parish Police Jury for increase in board member per diem. Management should obtain approval from the Evangeline Parish Police Jury before increasing the per diem paid to board members.</b>  | Unresolved. |

**DURALDE GRAVITY DRAINAGE DISTRICT NO. 4**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**Finding No. 2003-1. Failure to provide a list of outside business interests of all board members and their immediate family members.** Management should provide a list of outside business interests of all board members and their immediate family members.

Management will obtain negative confirmations from all board members stating that they and their immediate family members are not involved in any way with any of the vendors that the district purchases from.

**Finding No. 2003-2. Violation of state budget law.** The district should ensure that actual expenditures of its general fund do not exceed budgeted amounts by more than 5%.

Management will ensure that the actual expenditures of the district's general fund do not exceed budgeted amounts by more than 5%.