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COULEE DES JONS GRAVITY DRAINAGE DISTRICT NO. 1
OF VERMILION PARISH

FINANCIAL REPORT

DECEMBER 31, 1999

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 8-30-00

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

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INDEPENDENT ACCOUNTANT'S REPORT

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The Honorable Glenray Trahan
and the Board of Commissioners
Coulee Des Jons Gravity Drainage District No. 1
Abbeville, Louisiana

We have compiled the accompanying general purpose financial statements of Coulee Des Jons Gravity Drainage District No. 1, as of and for the year ended December 31, 1999, and the supplementary schedule, as listed in the table of contents. The statements and supplementary schedule, which is presented only for supplementary analysis purposes, were compiled in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of the Board in the form of financial statements and supplementary schedules. We have not audited or reviewed the accompanying financial statements and the supplementary schedule and, accordingly, we do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated April 12, 2000, on the results of our agreed-upon procedures.

Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Longone II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
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Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999

Broussard, Poche, Lewis & Breaux LLP

Crowley, Louisiana
April 12, 2000

COULEE DES JONS GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999
See Accountant's Compilation Report

	<u>Governmental</u> <u>Fund Types</u>	<u>Account Groups</u>		<u>Total</u> <u>(Memorandum Only)</u>
	<u>Governmental</u> <u>Fund Types</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>	
ASSETS				
	<u>General Fund</u>			
Cash and cash equivalents	\$159,555	\$ -	\$ -	\$159,555
Receivables	199,900	-	-	199,900
Land, equipment, and buildings	-	398,518	-	398,518
Amount to be provided for retirement of installment purchase payable	<u>-</u>	<u>-</u>	<u>160,953</u>	<u>160,953</u>
Total assets	<u>\$359,455</u>	<u>\$398,518</u>	<u>\$160,953</u>	<u>\$918,926</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Deduction from ad valorem	\$ 5,867	\$ -	\$ -	\$ 5,867
Other payables	-	-	-	-
Installment purchase payable	<u>-</u>	<u>-</u>	<u>160,953</u>	<u>160,953</u>
Total liabilities	<u>\$ 5,867</u>	<u>\$ -</u>	<u>\$160,953</u>	<u>\$166,820</u>
Fund Equity:				
Investment in general fixed assets	\$ -	\$398,518	\$ -	\$398,518
Fund balances:				
Unreserved - undesignated	<u>353,588</u>	<u>-</u>	<u>-</u>	<u>353,588</u>
Total fund equity	<u>\$353,588</u>	<u>\$398,518</u>	<u>\$ -</u>	<u>\$752,106</u>
Total liabilities and fund equity	<u>\$359,455</u>	<u>\$398,518</u>	<u>\$160,953</u>	<u>\$918,926</u>

See Notes to Financial Statements.

COULEE DES JONS GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1999
See Accountant's Compilation Report

	General Fund
Revenues:	
Taxes:	
Ad valorem	\$196,022
Intergovernmental:	
State revenue sharing	21,879
Other	<u>9,041</u>
Total revenues	\$226,942
 Expenditures:	
Current:	
Public works - drainage:	
Salaries	\$102,974
Commissioners' fees	4,160
Accounting and legal	1,300
Office	597
Insurance	23,436
Deduction from ad valorem	5,867
Uncollected taxes	4,535
Supplies and tools	1,025
Repairs and maintenance	10,193
Group insurance	13,289
Advertising	160
Payroll taxes	8,181
Utilities	494
Rent and accounting	3,840
Fees/permits/licenses	1,520
Gas and oil	11,521
Vegetation control	8,900
Capital outlay	536
Debt service:	
Principal retirements	43,843
Interest and fiscal charges	<u>6,537</u>
Total expenditures	<u>252,908</u>
 Deficiency of revenues over expenditures	 \$(25,966)
 Fund balances, beginning	 <u>379,554</u>
 Fund balances, ending	 <u>\$353,588</u>

See Notes to Financial Statements.

COULEE DES JONS GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Coulee Des Jons Gravity Drainage District No. 1 of Vermilion Parish was created under the authority of Louisiana Revised Statutes 38:1751-1802. The Drainage District is situated in North-Central Vermilion Parish and was created on April 1, 1912, for the purpose of opening and maintaining all natural drains in the district, where drainage is accomplished using the natural force of gravity. This may be accomplished by cutting and opening new drains, ditches, and canals. As provided by Louisiana Revised Statute 38:1758, the Drainage District is governed by five commissioners. These five commissioners are collectively referred to as the board of commissioners and are appointed by the Vermilion Parish Police Jury.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. All GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within 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 Police Jury appoints the governing board and can influence the scope of public service, the drainage district was determined to be a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Fund accounting:

The Drainage District is organized on the basis of a fund (general fund) and account groups, each of which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The general fund is the general operating fund of the District and accounts for all of its activities.

General fixed assets and long-term obligations:

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

Long-term obligations are accounted for in the general long-term debt account group, not in the general fund. The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

Basis of accounting:

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

Revenues:

Ad valorem taxes and state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income represents amounts earned on checking accounts and certificates of deposit invested with financial institutions. Interest earned is recorded when received.

Expenditures:

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

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Budget practices:

Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. The Coulee Des Jons Gravity Drainage District No. 1 of Vermilion Parish was created April 1, 1912, and, accordingly, is exempt from budgetary requirements. Management has determined that, due to the amount and nature of the expenditures, the adoption of a budget is not required for control purposes. Therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budget.

Cash and investments:

Under state law, the Drainage District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Vacation, sick leave, and pension plan:

Full-time employees of the District with more than one year of service are allowed two weeks of vacation leave each year; full-time employees with one year's service or less are allowed one week of vacation leave each year. Sick leave is granted on an individual basis as the need occurs. The Drainage District has no pension plan. Vacation and sick leave may not be accumulated and carried into future years. At December 31, 1999, there are no accumulated vacation benefits that require accrual or disclosure to conform with generally accepted accounting principles.

Total columns on financial statements:

The total columns on the financial statements are captioned "Memorandum Only" to indicate it is presented only to facilitate financial analysis. The data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Levied Taxes

The following is a summary of levied ad valorem taxes:

	<u>1999</u>
Operations & maintenance	<u>10.71</u>

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 3. Changes in General Fixed Assets

The following is a summary of changes in general fixed assets for the two years ending December 31, 1999:

Balance, December 31, 1998	\$432,098
Additions - 1999	110,536
Reductions - 1999	<u>(144,116)</u>
Balance, December 31, 1999	<u>\$398,518</u>

Note 4. Cash and Cash Equivalents

At December 31, 1999, the District has cash in the form of interest-bearing demand deposits totaling \$159,555. These (book balances) deposits are stated at cost, which approximates market. Under state law, these deposits 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 pledged 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. The District has deposit balances (collective bank balances) of \$163,156 at December 31, 1999. These deposits are fully secured from risk by \$161,297 of federal deposit insurance (GASB Category 1) and \$259,161 of pledged securities (GASB Category 3).

Note 5. Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 1999:

	<u>Installment</u> <u>Purchase</u>
Balance, December 31, 1998	\$ 94,796
Additions:	
Proceeds from capital lease	110,000
Reductions:	
1999 Principal payments	<u>(43,843)</u>
Balance, December 31, 1999	<u>\$160,953</u>

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

In August of 1999, the District purchased a new excavator under a five year capital lease at a cost of \$110,000, after a trade-in of a 1994 excavator. In November of 1998, the District purchased a new tractor, boom mower and bush hog mower under a five year capital lease at a cost of \$72,645. Upon expiration of both leases, the ownership will transfer automatically to the District. The following is a schedule by year of future minimum lease payments under these capital lease commitment as of December 31, 1999:

2000	\$ 42,229
2001	42,229
2002	42,229
2003	39,433
2004	<u>16,968</u>
Total minimum lease payments	\$183,088
Less amount representing interest payments	<u>(22,135)</u>
Present value of minimum lease payments	<u>\$160,953</u>

SUPPLEMENTARY INFORMATION

COULEE DES JONS GRAVITY DRAINAGE DISTRICT NO. 1
VERMILION PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS
Year Ended December 31, 1999
See Accountant's Compilation Report

Sidman Adams	\$ 845
Dexter Callahan	780
Melvin Faulk, Sr.	910
Glenray Trahan	910
Larry Trahan	<u>715</u>
Total	<u>\$ 4,160</u>

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The per diem paid to board members is included in the expenditures of the general fund. In accordance with Louisiana Revised Statute 38:1794, each member of the board receives \$65 for each day of attendance at meetings of the board, not to exceed 36 days each year and for each day spent in the service of the board.



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Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants
* A Professional Accounting Corporation

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Glenray Trahan
and the Board of Commissioners
Coulee Des Jons Gravity Drainage District No. 1
Abbeville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Coulee Des Jons Gravity Drainage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Coulee Des Jons Gravity Drainage District No. 1's compliance with certain laws and regulations during the year ended December 31, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for 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 and one expenditure was made for public works exceeding \$100,000. We examined documentation which indicated that the expenditure had been properly advertised and accepted in accordance with the provision of LSA-RS 38:2211-2251 (the public bid law).

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.

The Honorable Glenray Trahan
and the Board of Commissioners
Coulee Des Jons Gravity Drainage District No. 1

Management provided us with the required list including the noted information.

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

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Coulee Des Jons Gravity Drainage District No. 1 is not required to comply with the Budget Act because the District was created before December 31, 1974.

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

Coulee Des Jons Gravity Drainage District No. 1 is not required to comply with the Budget Act because the District was created before December 31, 1974.

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

Coulee Des Jons Gravity Drainage District No. 1 is not required to comply with the Budget Act because the District was created before December 31, 1974.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

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

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

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

The Honorable Glenray Trahan
and the Board of Commissioners
Coulee Des Jons Gravity Drainage District No. 1

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals.

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).

Coulee Des Jons Gravity Drainage District No. 1 is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building; management has asserted that such documents were properly posted.

Debt

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

We scanned copies of bank deposit slips for the period under examination and did not note any deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

A reading of the minutes of the District for the year did not reveal any such payments. We also inspected payroll records for the year and did not note any instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

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

Our prior year report, dated April 27, 1999, included comments and/or unresolved matters as indicated in the Summary Schedule of Prior Audit Findings.

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

The Honorable Glenray Trahan
and the Board of Commissioners
Coulee Des Jons Gravity Drainage District No. 1

This report is intended solely for the use of management of Coulee Des Jons Gravity Drainage District No. 1 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. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Breaux LLP

Crowley, Louisiana
April 12, 2000

Coulee Des Jons Drainage District
6855 Woodlawn Road
Maurice, Louisiana 70555

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

APRIL 24, 2000

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

P. O. DRAWER 307

CROWLEY, LA 70527-0307

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.

Justin Dubois Secretary 4-24-00 Date

[Signature] Treasurer _____ Date

Henry P. Parker President 5-16-00 Date

COULEE DES JONS GRAVITY DRAINAGE DISTRICT NO. 1 OF VERMILION PARISH

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 1999

I. Internal Control and Compliance Material to the Financial Statements

98-1 - Segregation of Duties

Finding: In reviewing the internal control structure, we noted inadequate segregation of duties exists.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions.

Current status: An inadequate segregation of duties still exists. The Board has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

II. Internal Control and Compliance Material to Federal Awards

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

III. Management Letter

Suggestion 1998-1. Board Member Compensation

Condition: According to Internal Revenue code § 31.3401(c)-1, "...Officers ... whether elected or appointed..." are included in the definition of employee. Therefore, any board member is considered an employee of the District for tax purposes and the compensation paid to them is subject to social security (if not a member of a retirement system), Medicare (if the board member were appointed or re-appointed after March 31, 1986), and federal and state income tax withholding in 1997 and 1998.

Cause: Compensation paid to board members is reported to them at year-end using Form 1099. No taxes are withheld from these amounts or paid by the District on these amounts.

Effect: The District is not withholding taxes from the board's compensation payments or remitting tax payments as required by the Internal Revenue Service.

Recommendation: We recommend that payments to the Board be subject to taxes and withholdings as are employee payments. Each board member should be required to complete a Form W-4 annually.

Current status: Board compensation is now being handled in the manner recommended.