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FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH

COMPONENT UNIT FINANCIAL STATEMENTS

DECEMBER 31, 1998 and 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 JUL 2 1999

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS
ENDED DECEMBER 31, 1998

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COMPONENT UNIT FINANCIAL STATEMENTS

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(504) 775-4982

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

May 24, 1999

Raoul Bourgeois, President
and Members of the Board of Commissioners
Fifth Ward Gravity Drainage District
No. 5 of Lafourche Parish
502 Highway 308
Thibodaux, Louisiana 70302

We have compiled the accompanying balance sheets of Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish, a component unit of the Lafourche Parish Council, as of December 31, 1998 and 1997, and the related Statements of Revenues, Expenditures, and Changes in Fund Balances, and Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for the years then ended, 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the terms of our engagement, we have also issued a report on applying agreed-upon procedures dated May 24, 1999.

John D. Butler & Company
A Professional Accounting Corporation

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 THIBODAUX, LOUISIANA
 ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEETS
 DECEMBER 31, 1998 AND 1997

Statement A

	<u>Gov't Funds</u>	<u>Account Groups</u>		
	General Fund	General Fixed Assets	Totals (Memorandum Only)	
<u>ASSETS AND OTHER DEBITS</u>			<u>1998</u>	<u>1997</u>
Cash & cash equivalents	\$184,419.00	.00	\$184,419.00	\$167,487.00
Receivables	76,192.00	.00	76,192.00	60,844.00
Land, buildings & equipment	.00	\$57,799.00	57,799.00	57,599.00
TOTAL ASSETS AND OTHER DEBITS	260,611.00	57,799.00	318,410.00	285,930.00
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>				
Liabilities:				
Accounts payable	1,493.00	.00	1,493.00	856.00
Payroll deductions and withholdings payable	36.00	.00	36.00	44.00
Total Liabilities	1,529.00	.00	1,529.00	900.00
Equity and Other Credits:				
Investment in general fixed assets	.00	57,799.00	57,799.00	57,599.00
Fund Balances:				
Unreserved - undesignated	259,082.00	.00	259,082.00	227,431.00
Total Equity and Other Credits	259,082.00	57,799.00	316,881.00	285,030.00
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	260,611.00	57,799.00	318,410.00	285,930.00

See Accompanying Notes and Accountant's Report

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 THIBODAUX, LOUISIANA
 GOVERNMENTAL FUNDS
 STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 YEARS ENDED DECEMBER 31, 1998 AND 1997

Statement B

	<u>1998</u>	<u>1997</u>
<u>REVENUES</u>		
Taxes	\$74,224.00	\$ 64,752.00
State revenue sharing (net)	10,732.00	10,765.00
Interest earnings	7,213.00	6,298.00
	<hr/>	<hr/>
Total Revenues	92,169.00	81,815.00
<u>EXPENDITURES</u>		
Capital outlay	200.00	.00
Professional fees	4,427.00	3,268.00
Material & supplies	952.00	10.00
Office supplies & expense	63.00	90.00
Fuel	2,817.00	3,248.00
Advertising	245.00	.00
Insurance	2,815.00	2,952.00
Repairs and maintenance	8,067.00	8,436.00
Salaries & related benefits	39,672.00	35,193.00
Licenses	20.00	20.00
Rent	1,240.00	1,200.00
FEMA obligation	.00	25,489.00
	<hr/>	<hr/>
Total Expenditures	60,518.00	79,906.00
EXCESS OF REVENUES OVER EXPENDITURES	31,651.00	1,909.00
FUND BALANCE AT BEGINNING OF YEAR	<u>227,431.00</u>	<u>225,522.00</u>
FUND BALANCE AT END OF YEAR	<u>259,082.00</u>	<u>227,431.00</u>

See Accompanying Notes and Accountant's Report

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1998

Statement C

	<u>1998</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>			
Taxes	\$ 66,000.00	\$ 74,224.00	\$ 8,224.00
State (net)	11,000.00	10,732.00	(268.00)
Interest earnings	6,000.00	7,213.00	1,213.00
	83,000.00	92,169.00	9,169.00
<u>EXPENDITURES</u>			
Capital outlay	200.00	200.00	.00
Professional fees	3,200.00	4,427.00	(1,227.00)
Material & supplies	4,800.00	952.00	3,848.00
Office supplies & expense	150.00	63.00	87.00
Fuel	3,300.00	2,817.00	483.00
Advertising	25.00	245.00	(220.00)
Insurance	5,500.00	2,815.00	2,685.00
Repairs & maintenance	8,000.00	8,067.00	(67.00)
Salaries & related benefits	35,000.00	39,672.00	(4,672.00)
Licenses	100.00	20.00	80.00
Rent	1,500.00	1,240.00	260.00
	61,775.00	60,518.00	1,257.00
EXCESS OF REVENUES OVER EXPENDITURES	21,225.00	31,651.00	10,426.00
FUND BALANCE AT BEGINNING OF YEAR	227,431.00	227,431.00	.00
FUND BALANCE AT END OF YEAR	248,656.00	259,082.00	10,426.00

See Accompanying Notes and Accountant's Report

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1997

	<u>1997</u>		Statement C
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Taxes	\$ 53,000.00	\$ 64,752.00	\$ 11,752.00
State revenue sharing (net)	11,500.00	10,765.00	(735.00)
Interest earnings	5,000.00	6,298.00	1,298.00
Total Revenues	69,500.00	81,815.00	12,315.00
<u>EXPENDITURES</u>			
Professional fees	3,100.00	3,268.00	(168.00)
Material & supplies	2,600.00	10.00	2,590.00
Office supplies & expense	150.00	90.00	60.00
Fuel	2,600.00	3,248.00	(648.00)
Advertising	25.00	.00	25.00
Insurance	5,500.00	2,952.00	2,548.00
Repairs & maintenance	12,000.00	8,436.00	3,564.00
Salaries & related benefits	36,800.00	35,193.00	1,607.00
Licenses	100.00	20.00	80.00
Rent	1,500.00	1,200.00	300.00
FEMA obligation	25,489.00	25,489.00	.00
Total Expenditures	89,864.00	79,906.00	9,958.00
EXCESS OF REVENUES OVER EXPENDITURES	(20,364.00)	1,909.00	22,273.00
FUND BALANCE AT BEGINNING OF YEAR	225,522.00	225,522.00	.00
FUND BALANCE AT END OF YEAR	205,158.00	227,431.00	22,273.00

See Accompanying Notes and Accountant's Report

NOTES TO FINANCIAL STATEMENTS

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1998 and 1997

INTRODUCTION

The Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish was created by the Lafourche Parish Council on February 10, 1965, as authorized by Louisiana Revised Statute 38:1751. The District is governed by a board of five commissioners who are appointed by the Lafourche Parish Council. The Board of Commissioners has elected to receive no compensation for their services. The District is authorized to open and maintain 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. The District covers the entire Fifth Ward of Lafourche Parish and has two full-time employees. It maintains approximately 18 miles of major drainage canals and 22 miles of smaller drainage canals and ditches.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis Of Presentation: The accompanying component unit financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity: As the governing authority of the parish, for reporting purposes, the Lafourche Parish Policy Jury is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Lafourche Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

FIFTH WARD GRAVITY DRAINAGE DISTRICT
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1998 AND 1997

1. Appointing a voting majority of an organization's governing body, and
 - (a) the ability of the Police Jury to impose its will on that organization and/or
 - (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury's financial statements would be misleading if data of the District is not included because of the nature or significance of the relationship, the District was determined to be a component unit of the Lafourche Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting: The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds of the District include:

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

1. General Fund - the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

D. Basis Of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

Ad Valorem Taxes -

The millage due to the District is billed through the parish tax and collected by the Sheriff. The tax is assessed in November of each year for that calendar year. The District accrues the assessed amount as a receivable at year end and records it as a revenue. The tax is collected by the Sheriff and remitted to the District the following year beginning in January with the taxes collected in November and December of the tax year.

State Revenue Sharing -

This revenue is received from the State through the Sheriff three times each year. The amounts are recorded as revenue when received with the exception of the final two payments. These are accrued at year end as they are actually received in April or May of the following year.

Interest Earnings -

Interest earned on the money market account or certificates of deposit are recorded as revenue each month as received.

Expenditures -

Expenditures are recognized when the related liability is incurred. The major expenditures are salaries and related benefits, repairs, materials and supplies, fuel and insurance.

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

E. Budgets and Budgetary Accounting : The District adopts an annual budget for the General Fund as required by Louisiana Revised Statute 39:1305. It is prepared on a modified accrual basis of accounting and was adopted on February 11, 1998, for the year ending December 31, 1998. Budget integration was not employed as a management control device during the year, and there were no amendments to the original adopted budget. Appropriations lapse at year end. The Board of Commissioners reserves all authority to make changes to the budget.

F. Encumbrances: The District does not use encumbrance accounting.

G. Cash, Cash Equivalents and Investments: Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the 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 principle offices in Louisiana. Investments are stated at cost plus interest if that interest is reinvested.

H. Fixed Assets: Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. Compensated Absences: The District does not have compensated absences.

J. Long-Term Obligations: Long-term obligations expected to be financed from governmental funds are reported in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. The District does not have any long-term obligations at December 31, 1998.

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 THIBODAUX, LOUISIANA
 NOTE TO THE FINANCIAL STATEMENTS

K. Fund Equity: Fund Equity includes the following:

Reserves - represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. The District does not have any reserves at December 31, 1998.

Designated Fund Balances - represent tentative plans for future use of financial resources. The District does not have any designated fund balances at December 31, 1998.

L. Total Columns On Combined Statements: Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balance) at December 31, 1998:

	<u>General Fund</u>
Demand deposits	\$ 2,587.00
Time deposits	85,745.00
Money market savings	96,087.00
Total	184,419.00

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.

At December 31, 1998, the District had \$184,419.00 in deposits (collected bank balances). These deposits are secured from risk by \$300,000.00 of federal deposit insurance.

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 THIBODAUX, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 1998.

	<u>General Fund</u>
Taxes	<u>\$76,192.00</u>

The District accrues ad valorem taxes receivable in the amount assessed by the Sheriff yet remitted to the District after year end. Some collections are remitted to the District during the year for delinquent taxes, but this amount is immaterial. Therefore, no bad debts or write-offs are recorded in the accompanying financial statements. By closing out the prior years receivables to income, the prior year receivables not collected are substantially written-off.

NOTE 4 - FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Balance 01/01/98</u>	<u>Additions</u>	<u>Balance 12/31/98</u>
Vehicles, tools, equipment	<u>\$57,599.00</u>	<u>\$ 200.00</u>	<u>\$ 57,799.00</u>

NOTE 5 - PENSION PLAN

The employees of the District participate in the federal social security program. The District matches the employee's contribution.

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

The District does not provide any post retirement benefits.

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 THIBODAUX, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 7 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$1,529 at December 31, 1998, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>
Accounts	\$1,493.00
Payroll	<u>36.00</u>
Total	<u>1,529.00</u>

NOTE 8 - COMPENSATED ABSENCES

The District adopted a policy to allow for thirteen (13) paid holidays per year. Vacation and sick leave accrue each pay period according to an employee's length of service. There were no liabilities associated with vacation or sick leave at December 31, 1998.

NOTE 9 - LEASES

The District did not have any leases at December 31, 1998.

NOTE 10 - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Maintenance	5.11	5.11

The following are the principal taxpayers for the District:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Hasco Thibodaux, LLC	456,670.00	13.66%
Wal-Mart Stores	1,098,990.00	32.88%
Cane Machinery & Equipment	1,001,300.00	29.97%
Caldwell Sugars	467,860.00	14.00%
Argent Bank	316,920.00	9.49%

FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
THIBODAUX, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 11 - PAYMENTS BY OTHER GOVERNMENTAL UNITS

Certain operating expenditures of the District are paid by the Police Jury and are not included in the accompanying financial statements. These expenditures include poison spray for vegetation.

NOTE 12 - RELATED PARTY TRANSACTIONS

There were no related party transactions that came to our attention.

NOTE 13 - LITIGATION

There is no litigation that came to our attention that would require disclosure in the accompanying financial statements.

NOTE 14 - YEAR 2000 CONSIDERATION

The District could be adversely affected if its computer systems and other date-sensitive equipment do not properly process data from and after January 1, 2000. This impact was considered, and it was determined that the District did not have any date-sensitive equipment. There are no assurances, however, that these steps will be sufficient to avoid all adverse affects.

NOTE 15 - SUBSEQUENT EVENTS

There were no subsequent events that we are aware of that would have a material affect on the accompanying financial statements.

SUPPLEMENTARY INFORMATION

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(504) 775-4982

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

May 24, 1999

Raoul Bourgeois, President
and Members of the Board of Commissioners
Fifth Ward Gravity Drainage District
No 5. of LaFourche Parish
502 Highway 308
Thibodaux, Louisiana 70302

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Fifth Ward Gravity Drainage District No. 5 of LaFourche Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Fifth Ward Gravity Drainage District No. 5's compliance with certain laws and regulations during the years ended December 31, 1998 and 1997, included in the accompanying Louisiana Compliance 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 specific users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures over \$5,000 made during the year for material or supplies and no expenditures for public works exceeding \$50,000. Therefore, the District did not have any transactions during the year subject to 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.

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 in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

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.

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

We traced the adoption of the original budget to the minutes of the meeting held on February 11, 1998, which indicated that the budget for 1998 had been adopted by the Board with a unanimous vote. The original budget was advertised in the local journal.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures did exceed budgeted amounts by more than 5% on three line items in 1998: Professional fees, Advertising and Salaries & related benefits. In 1997, actual expenditures exceeded budgeted amounts by more than 5% on two line items: Professional fees and Fuel.

Management's Response - The District's management will review those items that consistently exceed 5% in the future.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and,

- (a) Trace payments to supporting documentation as to proper amounts and payees.

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 payments were properly coded to the correct general ledger account

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

Inspection of documentation supporting each of the six selected disbursements indicated that payment was approved by the accountant and chairman of the board of commissioners by a dual payment check.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised by LSA-RS 41:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Because the District does not have an office, it holds its meetings at the accountant's office. No postings of the meetings or the agenda were noted.

Management's Response - This was an oversight. Every attempt will be made to adhere to this in the future.

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 statements for the period under examination and noted no 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 years indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

Fifth Ward Gravity Drainage District No. 5
Of Lafourche Parish
May 24, 1999
page 5

PRIOR YEAR FINDINGS

Our prior year report, dated June 12, 1998, included comments on the code of ethics, budget law and open meetings law. These same issues were also included in our report dated May 5, 1997.

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 assertion. 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 the Fifth Ward Gravity Drainage District No. 5 of LaFourche Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited.

John D. Butler & Company
A Professional Accounting Corporation

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements)**

4-30-99 (Date Transmitted)

John D. Butler & Company
A Professional Accounting Corporation
P.O. Box 30
Baker, La. 70704-0030 (Auditors)

In connection with your audit of our financial statements as of December 31, 1998 and for January 1, 1998 thru December 31, 1998 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with generally accepted accounting principles, to assess our system of internal control as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of 4-30-99 (date completed/date of the representations).

PART I. AGENCY PROFILE

1. Name and address of the organization.

Fifth Ward Gravity Drainage Distric No. 5
P.O. Box 1071
Thibodaux La 70302

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

3. List names, addresses, and telephone numbers of entity officials. [Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.]

Raoul Bourgeois	Wade Knight	John Peltier	Chester Prejeant
502 Hwy 308	560 HWY 308	460 Hwy 308	2236 Hwy 308
Thibodaux La 70301	Thibodaux La 70301	Thibodaux, La 70301	Thibodaux La. 70301
446-6351	447-7820	446-0764	446-6876

4. Period of time covered by this questionnaire:

January 1, 1998 thru December 31, 1998

Dennis Martinez
201 Rue Grand Chene
Thibodaux, La. 70301
447-7548

5. The entity has been organized under the following provisions of the Louisiana Revised Statute (s) (LSA-RS) and, if applicable, local resolutions/ordinances.

6. Briefly describe the public services provided:

Maintenance of Drainage Canals

7. Expiration date of current elected/appointed officials' terms.

LEGAL COMPLIANCE

PART II. PUBLIC BID LAW

8. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

- A) All public works purchases exceeding \$100,000 have been publicly bid.
- B) All material and supply purchases exceeding \$15,000 have been publicly bid.

Yes [] No []

PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

9. 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 []

10. 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 []

PART IV. LAWS AFFECTING BUDGETING

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

A. Local Budget Act

- 1. We have adopted a budget for the General Fund and all special revenue funds (LSA-RS 39:1301).
- 2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the General Fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (LSA-RS 39:1304).
- 3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (LSA-RS 39:1305).
- 4. To the extent that proposed expenditures were greater than \$250,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (LSA-RS 39:1306).
- 5. The proposed budget was made available for public inspection at the location required by LSA-RS 39:1307.
- 6. All action necessary to adopt and finalize the budget was completed prior to year end. The adopted

budget contained the same information as that required for the proposed budget [LSA-RS 39:1304(c) .

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (LSA-RS 39:1308).

8. The chief executive officer or equivalent notified in writing the governing authority during the year when *actual receipts plus projected revenue collections* for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (LSA-RS 39:1310). (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$250,000 or less and exempts special revenue funds whose expenditures derive revenue recognition-primarily federal funds.)

9. The governing authority has amended its budget when notified, as provided by LSA-RS 39:1310 (LSA-RS 39:1309).

Yes No

B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of LSA-RS 39:34.

Yes No

C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R. S. 39:1331-1342.

Yes No

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Yes No

13. 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

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

Yes No

15. We have had our financial statements audited in a timely manner in accordance with LSA-RS 24:513.

Yes No

PART VI. ASSET MANAGEMENT LAWS

16. We have maintained records of our general fixed assets and movable property, as required by LSA-RS 24:515 and/or 39:321-332, as applicable.

Yes No

PART VII. FISCAL AGENCY AND CASH MANAGEMENT LAWS

17. We have complied with the fiscal agency and cash management requirements of LSA-RS 39:1211-45 and 49:301-327, as applicable.

Yes No

PART VIII. DEBT RESTRICTION LAWS

18. It is true we have not incurred any long-term indebtedness 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

19. We have complied with the debt limitation requirements of state law (LSA-RS 39:562).

Yes No

20. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (LSA-RS 39:1351).

Yes No

PART IX. REVENUE AND EXPENDITURE RESTRICTION LAWS

21. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes No

22. 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

23. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes No

PART X. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Police Juries

24. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, LSA-RS 48:754(A).
- B. Development of a capital improvement program on a selective basis, LSA-RS 48:754(A)&(B).
- C. Centralized purchasing of equipment and supplies, LSA-RS 48:754(A).
- D. Centralized accounting, LSA-RS 48:754(A).
- E. A construction program based on engineering plans and inspections, LSA-RS 48:754(A)&(B).
- F. Selective maintenance program, LSA-RS 48:754(A)&(B).
- G. Annual certification of compliance to the legislative auditor, LSA-RS 48:757(C).

Yes No

School Boards

25. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, LSA-RS 17:51-401.

Yes [] No []

26. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

Yes [] No []

Tax Collectors

27. We have complied with the general statutory requirements of LSA-RS 47, Chapter 4.

Yes [] No []

Sheriffs

28. We have complied with the state supplemental pay regulations of LSA-RS 33:2218.8.

Yes [] No []

29. We have complied with LSA-RS 33:1432 relating to the feeding and keeping of prisoners.

Yes [] No []

District Attorneys

30. We have complied with the regulations of the Louisiana Department of Social Services that relate to the Title IV-D Program.

Yes [] No []

Assessors

31. We have complied with the regulatory requirements found in Title 47 of the Louisiana Revised Statutes.

Yes [] No []

32. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [] No []

Clerks of Court

33. We have complied with LSA-RS 13:751-960.

Yes [] No []

Libraries

34. We have complied with the regulations of the Louisiana State Library.

Yes [] No []

Municipalities

35. Minutes are taken at all meetings of the governing authority. LSA-RS 42:7.1 (Act 665 of 1976).

Yes [X] No []

36. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal. LSA-RS 43:143-144 and A.G. 82-383.

Yes [X] No []

37. All official action taken by the municipality is conducted at public meetings. LSA-RS 42:4.1-12 (Act 665 of 1976).

Yes [X] No []

Airports

38. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by LSA-RS 2:802.

Yes [] No []

39. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (LSA-RS 2:810).

Yes [] No []

40. All project funds have been expended on the project and for no other purpose (LSA-RS 2:810).

Yes [] No []

41. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 2:811).

Yes [] No []

Ports

42. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by LSA-RS 34:3432.

Yes [] No []

43. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (LSA-RS 34:3460).

Yes [] No []

44. All project funds have been expended on the project and for no other purpose (LSA-RS 34:3460).

Yes [] No []

45. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (LSA-RS 34:3460).

Yes [] No []

46. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 34:3461).

Yes [] No []

Sewerage Districts

47. We have complied with the statutory requirements of LSA-RS 33:3881-4159.

Yes [] No []

Waterworks Districts

48. We have complied with the statutory requirements of LSA-RS 33:3811-3836.

Yes [] No []

Utility Districts

49. We have complied with the statutory requirements of LSA-RS 33:4161-4533.

Yes [] No []

Drainage and Irrigation Districts

50. We have complied with the statutory requirements of LSA-RS 38:1601-1707 (Drainage Districts); LSA-RS 38:1751-1904 (Gravity Drainage Districts); LSA-RS 38:1991-2048 (Levee and Drainage Districts); or

LSA-RS 38:2101-2123 (Irrigation Districts), as appropriate.

Yes No

Fire Protection Districts

51. We have complied with the statutory requirements of LSA-RS 40:1491-1505.

Yes No

Other Special Districts

52. We have complied with those specific statutory requirements of state law applicable to our district.

Yes No

Quasi-Public Corporations

53. We have complied with the award or grant restrictions relating to our receipt of public funds.

Yes No

The previous responses have been made to the best of our belief and knowledge.

<u>John E. Pelletier</u>	Secretary	<u>5/20/99</u>	Date
<u>John E. Pelletier</u>	Treasurer	<u>5/20/99</u>	Date
<u>Paul Kaysen</u>	President	<u>5/20/99</u>	Date

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(504) 775-4982

MANAGEMENT LETTER

May 24, 1999

Raoul Bourgeois, President
And Members of the Board of Commissioners
Fifth Ward Gravity Drainage District
No. 5 of Lafourche Parish
502 Highway 308
Thibodaux, Louisiana 70302

During the course of our engagement for the years ending December 31, 1998 and 1997, we noted the following items that we would like to bring to your attention. We offer them as a means of improving your internal control structure and management effectiveness.

MANAGEMENT POINTS

M98.1 BUDGETING

The District is governed by La. Revised Statute § 39 cited as the Louisiana Local Government Budget Act. This act includes making the proposed budget, "...available for public inspection as provided for in R.S. 39:1307 no later than fifteen days prior to the beginning of each fiscal year...". Because the District does not have a permanent location, we recommend that an advertisement be placed in the local newspaper that provides a number to be called in the event that a concerned citizen may want to inspect the budget prior to its adoption. This will satisfy the requirements of La. Revised Statute § 39:1305 Completion and Submission of the Proposed Budget.

Fifth Ward Gravity Drainage District No. 5
Of LaFourche Parish
May 24, 1999
page 2

This act also states, under La. Revised Statute § 39:1310 Budgetary Authority and Control, that the chief executive shall advise the governing authority in writing when, "...total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more". There were three line items in 1998, and two line items in 1997, as described in the Independent Accountant's Report on Applying Agreed-Upon Procedures under item no. 7, in which the actual amounts exceeded budgeted amounts by more than five percent. It is our recommendation that the budget be reviewed throughout the year in order to make it a more effective management tool. Any necessary amendments could be made timely as a result.

There is no cost associated with either of these recommendations.

M98.2 OPEN MEETINGS

The Open Meetings Law (La. Revised Statute § 41 and 42) requires that the District post its meeting dates and/or agendas. We recommend that this practice be adhered to in the future.

The cost of this recommendation would be minimal.

We hope that you consider the above management points as they are intended to improve your operations. If you would care to discuss them further, please call us.

It was a pleasure working with you, and we look forward to serving the District again.

John D. Butler & Company
A Professional Accounting Corporation