

**CONSOLIDATED GRAVITY DRAINAGE  
DISTRICT NO. 1  
JENNINGS, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**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 8-4-04

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1  
JENNINGS, LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
DECEMBER 31, 2003

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## INDEPENDENT AUDITORS' REPORT

To The Board of Director's  
Consolidated Gravity Drainage District No. 1  
of Jefferson Davis Parish  
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of Consolidated Gravity Drainage District No. 1 a component unit of the Jefferson Davis Parish Police Jury as of December 31, 2003 and 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Consolidated Gravity Drainage District No. 1 as of December 31, 2003 and 2002, and the changes in net assets and its cash flows for the years ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 28, 2004 on my consideration of Consolidated Gravity Drainage District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Consolidated Gravity Drainage District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Edward L. Krielow*  
Certified Public Accountants

Jennings, Louisiana  
June 28, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1  
JENNINGS, LOUISIANA**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
AS OF DECEMBER 31, 2003 AND 2002**

	2003	2002
	GOVERNMENTAL FUND TYPE	GOVERNMENTAL FUND TYPE
	GENERAL FUND	GENERAL FUND
<b><u>ASSETS</u></b>		
Cash & cash equivalents	\$ 300,546	\$ 234,693
Accounts receivable	78,985	82,633
	<b>\$ 379,531</b>	<b>\$ 317,326</b>
 <b>TOTAL ASSETS</b>		
 <b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b>Liabilities:</b>		
Protested taxes payable	\$ 42,570	\$ 33,364
 <b>Fund Balance:</b>		
Reserved for property drainage expenditures (See Note 7)	336,961	283,962
	<b>\$ 379,531</b>	<b>\$ 317,326</b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>		

The Accompanying Notes Are An Integral Part Of This Statement

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1  
JENNINGS, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
	GOVERNMENTAL FUND TYPE	GOVERNMENTAL FUND TYPE
	GENERAL FUND	GENERAL FUND
<b><u>REVENUES</u></b>		
Taxes: Ad valorem	\$ 84,010	\$ 50,406
Intergovernmental: State Revenue Sharing Net	120	3,954
Miscellaneous: Interest earnings	1,048	2,115
	<b>\$ 85,178</b>	<b>\$ 56,475</b>
<b><u>EXPENDITURES</u></b>		
Public works	\$ 23,434	\$ 44,619
Other general governmental	8,745	7,711
	<b>\$ 32,179</b>	<b>\$ 52,330</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 52,999</b>	<b>\$ 4,145</b>
<b>Fund balance, beginning of year</b>	<b>283,962</b>	<b>279,817</b>
<b>Fund balance, end of year</b>	<b>\$ 336,961</b>	<b>\$ 283,962</b>

The Accompanying Notes Are An Integral Part Of This Statement

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1  
JENNINGS, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes: Ad valorem	\$ 75,000	\$ 84,010	\$ 9,010
Intergovernmental: State			
Revenue sharing (Net)	3,700	120	(3,580)
Miscellaneous: Interest earnings	4,000	1,048	(2,952)
<b>Total Revenues</b>	<b>\$ 82,700</b>	<b>\$ 85,178</b>	<b>\$ 2,478</b>
<b>EXPENDITURES</b>			
Public works	\$ 120,000	\$ 23,434	\$ 96,566
Other general governmental	15,826	8,745	7,081
<b>Total Expenditures</b>	<b>\$ 135,826</b>	<b>\$ 32,179</b>	<b>\$ 103,647</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (53,126)</b>	<b>\$ 52,999</b>	<b>\$ 106,125</b>
<b>Fund balance, beginning of year</b>	<b>283,962</b>	<b>283,962</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 230,836</b>	<b>\$ 336,961</b>	<b>\$ 106,125</b>

The Accompanying Notes Are An Integral Part Of This Statement

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1  
JENNINGS, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes: Ad valorem	\$ 80,000	\$ 50,406	\$ (29,594)
Intergovernmental: State			
Revenue sharing (Net)	3,700	3,954	254
Miscellaneous: Interest earnings	4,000	2,115	(1,885)
<b>Total Revenues</b>	<b>\$ 87,700</b>	<b>\$ 56,475</b>	<b>\$ (31,225)</b>
<b>EXPENDITURES</b>			
Public works	\$ 120,000	\$ 44,619	\$ 75,381
Other general governmental	15,926	7,711	8,215
<b>Total Expenditures</b>	<b>\$ 135,926</b>	<b>\$ 52,330</b>	<b>\$ 83,596</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (48,226)</b>	<b>\$ 4,145</b>	<b>\$ 52,371</b>
<b>Fund balance, beginning of year</b>	<b>279,817</b>	<b>279,817</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 231,591</b>	<b>\$ 283,962</b>	<b>\$ 52,371</b>

The Accompanying Notes Are An Integral Part Of This Statement

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO.1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**INTRODUCTION**

The Consolidated Gravity Drainage District No. 1 was created by the Jefferson Davis Parish Police Jury as authorized by Louisiana Revised Statute 38:1841 for the purpose of providing property drainage to the district. This district is governed by a five member board appointed by the police jury.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Consolidated Gravity Drainage is considered a component unit of the Jefferson Davis Parish Police Jury.

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

**A. FUND ACCOUNTING**

The accounts of the Consolidated Gravity Drainage District No. 1 of Jefferson Davis Parish are organized on the basis of one fund, the general fund. The operation of the fund is accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, net assets, revenues, and expenditures of expenses. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements are described as follows:

**General Fund:**

The General Fund is the general operating fund of the Consolidated Gravity Drainage District No. 1 of Jefferson Davis Parish. It is used to account for all financial resources except those required to be accounted for in other funds.

**B. BASIS OF ACCOUNTING**

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

The government funds, are reported on the modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues are recognized in the accounting period in which they become available and measurable. Revenues received within 60 days of year-end are considered available.

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO.1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

Expenditures are measurable and should be recorded when the related liability is incurred.

**C. BUDGETARY PRACTICES**

The Consolidated Gravity Drainage District No. 1 of Jefferson Davis Parish utilized the following budgetary practices:

1. The Secretary-Treasurer prepares an operating budget and submits this budget to the board members for approval and adoption.

**D. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Cash equivalents include amounts in time deposits and those investments with 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 principal office in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value.

**E. RISK MANAGEMENT**

The district is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district manages these losses through the purchase of commercial insurance.

**NOTE 2. CASH AND CASH EQUIVALENTS**

At December 31, 2003, the District has cash and cash equivalents totaling \$300,546. Cash equivalents include time deposits and those investment with original maturities of 90 days or less. These amounts are as follows:

Interest bearing demand deposits	\$ 177,541
U. S. treasury money fund	<u>123,005</u>
Total	<u>\$ 300,546</u>

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO.1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

These deposits are stated at cost or amortized cost, which approximates fair value. 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 (GASB Category 3) in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2002, are secured as follows:

Bank balance	<u>\$ 300,696</u>	
Insured (FDIC)	\$ 200,000	
Uninsured, uncollateralized:		
Pledged securities held by pledging Bank's Agent in Bank's name	<u>100,696</u>	
Total	<u>\$ 300,696</u>	

Even though the pledged securities are considered uninsured-uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3. VACATION AND SICK LEAVE**

The Consolidated Gravity Drainage District No. 1 of Jefferson Davis Parish does not have any employees therefore there is no formal leave policy.

**NOTE 4. RECEIVABLES**

The following is a summary of receivables at December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
<b>Taxes:</b>		
Ad valorem	\$ 76,353	\$ 79,997
Revenue sharing	<u>2,632</u>	<u>2,636</u>
Total	<u>\$ 78,985</u>	<u>\$ 82,633</u>

**CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO.1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5. PENSION PLAN**

The Commissioners of the Consolidated Gravity Drainage District No. 1 of Jefferson Davis Parish do not participate in the Federal Retirement System. Consolidated Gravity Drainage District No. 1 does contribute to the District Attorney's Retirement System. Consolidated Gravity Drainage District No. 1 contributed \$2,808 and \$2,679 for the years ended December 31, 2003 and 2002, respectively.

**NOTE 6. LEVIED TAXES**

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

	<u>Authorized Mileage</u>	<u>Levied Mileage</u>
Parishwide taxes	8.89 mills	8.89 mills

**NOTE 7. RESERVED AND DESIGNATED FUND BALANCES**

All funds balances are restricted for property drainage in Jefferson Davis Parish.

**SUPPLEMENTAL INFORMATION**

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Sessions of the Louisiana Legislature.

My audit was made for the purpose of forming an opinion on the general purpose financial statement taken as a whole. This additional analysis is not a required part of the general purpose financial statements of the Consolidated Gravity Drainage District No. 1 of Jefferson Davis Parish. Such information, on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2003

Board Members:

J. R. Langley	\$ 675
Bobby Hebert	600
Donald Guillory	525
Alfred Goebel	675
Gareth Hill	<u>575</u>
Total	<u>\$ 3,050</u>

Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2002

Board Members:

J. R. Langley	\$ 600
Bobby Hebert	550
Donald Guillory	550
Alfred Goebel	500
Gareth Hill	<u>550</u>
Total	<u>\$ 2,750</u>

**OTHER REPORTS**

**EDWARD L. KRIELOW**

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

To the Board of Director's  
Consolidated Gravity Drainage District No. 1  
of Jefferson Davis Parish  
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of Consolidated Gravity Drainage District No. 1 as of and for the years ended December 31, 2003 and 2002, and have issued my report thereon dated June 28, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Consolidated Gravity Drainage District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, with which noncompliance could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Consolidated Gravity Drainage District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Edward L. Krielow*

Certified Public Accountant

Jennings, Louisiana  
June 28, 2004

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO.1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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No prior audit findings.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO.1  
OF JEFFERSON DAVIS PARISH  
JENNINGS, LOUISIANA

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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No current year audit findings.