

9055

RECEIVED
LEGISLATIVE AUDITOR
04 JUL -1 PM 12: 06

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Annual Financial Statements
December 31, 2003**

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

Release Date 9.1.04

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2003**

TABLE OF CONTENTS

	Page
Independent Accountant's Compilation Report	2
General Purpose Financial Statements:	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balance	4
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual	5
Notes to the Financial Statements	6-11
Additional Reports	12
Independent Accountant's Report on Applying Agreed Upon Procedures	13-15
Louisiana Attestation Questionnaire	16-17
Schedule of Prior Year Findings	18
Schedule of Current Year Findings and Questioned Costs	19
Management's Corrective Action Plan for Current Year Findings	20
Supplementary Information	21
Schedule of Compensation Paid to Board Members	22

Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

414 E. Nezpique Street
PO Box 1347, Jennings, LA 70546
Phone (337) 824-7773

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Gravity Drainage District No. 9
Jefferson Davis Parish, Louisiana

I have compiled the accompanying general purpose financial statements of the Gravity Drainage District No.9, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2003, and the accompanying supplementary information listed in the table of contents, which is presented only for supplementary analysis purposes, 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 and supplementary schedules information that is the representation of management of the Gravity Drainage District No. 9. I have not audited or reviewed the accompanying general purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated June 28, 2004 on the results of my agreed-upon procedures.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
June 28, 2004

GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

GENERAL FUND
Balance Sheet as of December 31, 2003

ASSETS

Cash and cash equivalents	\$ -
Investments	116,319
Accounts receivable-Ad Valorem Taxes (net of allowance for uncollectibles of \$0)	<u>61,990</u>

TOTAL ASSETS \$ 178,309

LIABILITIES AND FUND EQUITY

Liabilities:

Bank overdraft	<u>2,363</u>
----------------	--------------

Total Liabilites 2,363

Fund Equity:

Fund balance-unreserved-undesignated	\$ <u>175,946</u>
Total Fund Equity	<u>175,946</u>

TOTAL LIABILITIES AND FUND EQUITY \$ 178,309

See accompanying notes and accountant's report.

GRAVITY DRAINAGE DISTRICT NO. 9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2003

REVENUES

Ad valorem taxes, penalties, and interest	\$ 68,196
Interest earnings	<u>1,567</u>
Total Revenues	<u>69,763</u>

EXPENDITURES

Board per diem payments	1,900
Professional services	1,065
Operating services-contractors	40,618
Intergovernmental:	
Assessments paid to Calcasieu Drainage District No. 9	6,287
Deduction from ad valorem taxes-pension	<u>2,110</u>
Total Expenditures	<u>51,980</u>

**EXCESS (DEFICIENCY) OF REVENUES OVER
EXPENDITURES**

17,783

FUND BALANCE AT BEGINNING OF YEAR

158,163

FUND BALANCE AT END OF YEAR

\$ 175,946

See accompanying notes and accountant's report.

GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

GENERAL FUND

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

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes, penalties, and interest	\$ 76,900	\$ 68,196	\$ (8,704)
Interest earnings	-	1,567	1,567
<i>Total Revenues</i>	76,900	69,763	(7,137)
EXPENDITURES			
Board per diem payments	1,600	1,900	(300)
Advertising, dues, and subscriptions	100	-	100
Professional services	2,900	1,065	1,835
Operating services and materials	64,000	40,618	23,382
Other Expenditures	500	-	500
Intergovernmental:			
Assessments paid to Calcasieu Drainage District No. 9	6,000	6,287	(287)
Deduction from ad valorem taxes-pension	1,800	2,110	(310)
Total Expenditures	76,900	51,980	24,920
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	17,783	17,783
FUND BALANCE AT BEGINNING OF PERIOD	158,163	158,163	-
FUND BALANCE AT END OF PERIOD	\$ 158,163	\$ 175,946	\$ 17,783

See accompanying notes and accountant's report.

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

INTRODUCTION

The Gravity Drainage District No. 9 (District) was created by the Jefferson Davis Parish Police Jury pursuant to LSA-RS 38:1751 to 1904. The District primarily has the power and authority, within its boundaries, to plan, construct, maintain and operate such works of improvement as land treatment for watershed protection, flood prevention works, irrigation improvements, recreation, municipal and industrial water storage, and fish and wildlife developments.

Under the provisions of LSA-RS 38:1758, the District shall be governed and controlled by five commissioners who shall be the governing authority of the district. These commissioners or their spouses must own at least five hundred dollars in real estate in the district, or they must be the representative of some corporation owning at least five hundred dollars in real estate in the district. Each commissioner shall serve a term of four years. In the absence of any petition or recommendation, the police jury may appoint commissioners at their discretion.

The District does not have an established office location, but advertises the location of its monthly meetings by posting it at the courthouse. The District does not have any office staff.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. BASIS OF PRESENTATION

The accompanying 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. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) 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

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

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 members of the board and has the ability to significantly influence operations, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information of the Police Jury, the general government services provided by that governmental unit, or the other governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The District uses a fund (General Fund) to report on its financial position and the results of its operations. The District has no fixed assets or long-term debt, therefore it has not used an account group in its financial presentation. 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.

The general fund of the District is classified as a governmental fund. The general fund is the general operating fund of the District and accounts for all financial activities of the District, including acquisition of general fixed assets and servicing of general long-term obligations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is 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. The operating statement of the

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

general fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the general fund. The general fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized as revenue in the year the taxes are assessed, and to the extent they are available within 60 days of the year end. Ad valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest earnings on time deposits with financial institutions are recorded when the time deposits have matured and the interest is available to the District.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

Pursuant to the Louisiana Local Government Budget Act (LSA-RS 39: 1301-1314) the District is required to prepare and adopt an annual budget. However, the District is not required to have a public hearing or public participation. The operating budget includes proposed expenditures and the means of financing them. All budget appropriations lapse at year end. The District adopted the original budget on February 11, 2003.

F. ENCUMBRANCES

The District does not utilize encumbrance accounting.

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

G. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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 principal offices 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 cost.

H. FIXED ASSETS

The District has no fixed assets as discussed in item C above.

I. PENSION PLAN

The District has no employees and therefore no participation in any of the public employee retirement systems.

J. LONG-TERM OBLIGATIONS

The District has no outstanding long-term obligations.

2. LEVIED TAXES

A summary of authorized and levied ad valorem taxes follows:

<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
9.21	9.21	12/31/03 (renewed in January 17, 2004 election for 10 years by voters)

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

The following are the principal taxpayers for the parish (amounts expressed in thousands):

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation 2003</u>	<u>% of Total Assessed Valuations</u>
Entergy Gulf States, Inc.	Utilities	\$ 4,467	4.01%
Centurytel of Evangeline Inc.	Communication	3,529	3.17%
Tennessee Gas Pipeline Company	Pipeline	3,514	3.15%
Colonial Pipeline Company	Pipeline	3,331	2.99%
Florida Gas Transmission	Pipeline	3,022	2.71%
Denbury Resources, Inc.	Pipeline	2,015	1.81%
Hibernia National Bank	Bank	2,110	1.89%
Enterprise Loutex Porpylene	Pipeline	1,936	1.74%
Kerr-mcGee O&G Onshore LLC	Pipeline	1,877	1.68%
BellSouth Telecommunications	Telephone	1,815	1.63%
Total		<u>\$ 27,616</u>	<u>24.78%</u>

3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the District had cash and cash equivalents (book balances) totaling \$0 as follows:

Non-interest-bearing demand deposits	\$ 0
--------------------------------------	------

At December 31, 2003, the District had \$753 in deposits (collected bank balances). These balances were fully secured from risk by federal deposit insurance.

4. INVESTMENTS

At December 31, 2003, the District has investments totaling \$116,319 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Securities held by custodian bank	\$ 116,319	\$ 116,319

These investments were acquired under a repurchase agreement with Jeff Davis Bank & Trust Co. The investments are in the name of Jeff Davis Bank & Trust Co. and are held at Whitney National Bank of New Orleans, as custodian. Because the securities are not in the name of the District and are not held by the District or its agents, the securities are considered uninsured and

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

unregistered, Category 3 in applying the credit risk of GASB Codification Section 150.164, to the extent that the carrying amount exceeds \$100,000 in FDIC coverage.

5. LITIGATION AND CLAIMS

The District is presently not involved in any litigation as plaintiff or defendant.

6. 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/ independent contractors; and natural disasters. The Board does not presently carry commercial insurance for any of the above identified risk. Since the Board is a component unit of the Police Jury, it is possible that some risks of loss are covered by commercial insurance provided by the Police Jury. However, the Police Jury's insurance consultant could not provide any assurance concerning this potential coverage as of the issuance date of these financial statements. Therefore, it is probable that the Board has retained some risk of loss with respect to the various aforementioned risks. There is no provision in the financial statements for potential claims that may have been retained. The Board has not incurred any claims or settlements of claims for any risks in any of the past three years.

ADDITIONAL REPORTS

Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

414 E. Nezpique Street
PO Box 1347, Jennings, LA 70546
Phone (337) 824-7773

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Gravity Drainage District No.9
Jefferson Davis Parish, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Gravity Drainage District No. 9 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Gravity Drainage District No. 9's compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

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

Findings: There were no expenditures for materials and supplies which exceeded \$15,000. There were no expenditures for public works exceeding \$ 100,000.

Code of Ethics for Public Officials and Public Employees

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

Findings: 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.

Findings: Management provided us with the required list.

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

Findings: None of the employees included on the list of employees provided by management 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.

Findings: Management provided us with a copy of the original budget.

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

Findings: I traced the adoption of the final revised budget to the minutes of a meeting held on February 11, 2003 which indicated that the budget had been adopted by the commissioners of the Gravity Drainage District No. 9 by a unanimous vote. See finding 2003-1 in Schedule of Questioned Costs.

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

Findings: I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were 9% below budgeted amounts. However, actual expenditures were 32% below budgeted amounts and more than made up for the shortfall in budgeted revenues. Therefore, actual expenditures did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

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

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

Findings: I examined supporting documentation for each of the six selected disbursements and found that the 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

Findings: All of the payments examined were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities;

Findings: Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Board of Commissioners.

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 and 42:2 (the open meeting law).

Findings: Gravity Drainage District No. 9 does not have an established office location, but posts the location of its monthly meeting at the parish courthouse. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion.

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.

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

Advances and 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.

Findings: A reading of the minutes of the district for the year indicated no approval for these type of payments. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which constitute bonuses, advances, or gifts.

The prior year report, dated June 20, 2003 did not include any comments or unresolved matters.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have been reported to you.

This report is intended solely for the use of management of Gravity Drainage District No. 9 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
June 28, 2004

JEFFERSON DAVIS PARISH GRAVITY DRAINAGE DISTRICT NO. 9
LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
December 31, 2003

To:
Mike B. Gillespie, CPA, APAC
PO Box 1347
Jennings, LA 70546

In connection with your compilation of our financial statements as of December 31, 2003 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
1/27/04 (Date)

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.

By: Gravity Drainage District #9

Rene Beck Secretary 1/27/04 Date

Diane S... Treasurer 1/27/04 Date

Allen J. G... President 1/27/04 Date

GRAVITY DRAINAGE DISTRICT NO. 9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2003

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2001-1 Non-compliance Specific Reporting Requirements

Recommendation: Reports required under LRS 42:283 through 42:286 should be filed within thirty days after the close of the fiscal year with the secretary of the police jury and the clerk of court. I suggest that a signed transmittal confirming the date filed be obtained from both the police jury and the clerk of court.

Current Status: This condition has been resolved.

2002-1 Non-compliance Budgeting

Recommendation: The District Board should include the budget adoption process on the regular calendar of business for every November or December.

Current Status: The 2003 budget was adopted on February 11, 2003. However, the 2004 budget was adopted October 30, 2003. Therefore, this condition is considered resolved by management.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE OF PRIOR YEAR FINDINGS HAS BEEN PREPARED BY MANAGEMENT
Any questions should be directed to Mr. Allen Roche at (337) 824-0355.

GRAVITY DRAINAGE DISTRICT NO. 9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2003

Current Year Findings:

No findings to report except those listed below as prior year findings.

Prior Year Findings:

2002-1 Non-compliance Budgeting

Condition: District did not fully comply with Louisiana Revised Statutes 39:1301-14 with respect to budgeting for 2002 and 2003.

Current Status: The budget for 2003 was adopted on February 11, 2003. However, review of minutes of board meetings indicates that the 2004 budget was adopted on October 30, 2003, which is considered timely under Louisiana Revised Statutes. Therefore, this condition is considered resolved.

GRAVITY DRAINAGE DISTRICT NO. 9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 2003

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

Current Year Findings:

No findings reported.

Prior Year Findings:

2002-1 Non-compliance Budgeting

Recommendation: The District Board should include the budget adoption process on the regular calendar of business for every November or December.

Management's Corrective Action Planned: Now that we have a bookkeeper in place we expect that future budgets will be adopted in a timely manner in full compliance with the statutes. The budget for 2004 was adopted timely. This condition is considered resolved.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT
Any questions should be directed to Mr. Allen Roche at (337) 824-0355.

SUPPLEMENTARY INFORMATION

**GRAVITY DRAINAGE DISTRICT NO.9
JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana**

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

NAME

Allen Roche	\$	400
Edward Wild		350
Frances J. Conner		100
Bradford Thibodeaux		350
Dwayne Sonnier		400
Randall Hill		300
		<hr/>
Total	\$	<u>1,900</u>

See Accountant's Report