

**FOURTH WARD DRAINAGE DISTRICT NO. 1
OF ACADIA PARISH
FINANCIAL REPORT
DECEMBER 31, 2017**

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ACCOUNTANTS' COMPILATION REPORT

The Board of Commissioners
Fourth Ward Drainage District No. 1
of Acadia Parish
Crowley, Louisiana

Management is responsible for the accompanying financial statements of Fourth Ward Drainage District No. 1 of Acadia Parish, a component unit of the Acadia Parish Police Jury, which comprise the balance sheet as of December 31, 2017, and the related statements of revenues, expenditures, and changes in fund balance for the year ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Fourth Ward Drainage District No. 1 of Acadia Parish did not adopt the provisions of Governmental Accounting Standards Board Statements No. 34 and 54 for the year ended December 31, 2017. The effects of this departure from generally accepted accounting principles has not been determined.

The accompanying schedule of per diem paid to board members and schedule of compensation, benefits and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to Fourth Ward Drainage District No. 1 of Acadia Parish.



Lafayette, Louisiana
May 21, 2018

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

COMBINED BALANCE SHEET – ALL FUND TYPES

December 31, 2017

See Accountants' Compilation Report

ASSETS	<u>Governmental Funds</u>		Total (Memorandum Only)
	<u>General Fund</u>	<u>Capital Project Fund</u>	
Cash	\$102,877	\$ -	\$ 102,877
Certificates of deposit	-	100,000	100,000
Due from other governmental agencies	40,452	-	40,452
Ad valorem taxes receivable	10,620	-	10,620
State revenue sharing receivable	<u>2,014</u>	<u>-</u>	<u>2,014</u>
Total assets	<u>\$155,963</u>	<u>\$100,000</u>	<u>\$ 255,963</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts and other payables	\$ 1,726	\$ -	\$ 1,726
FUND BALANCE			
Unreserved-undesignated	<u>154,237</u>	<u>100,000</u>	<u>254,237</u>
Total liabilities and fund balance	<u>\$155,963</u>	<u>\$100,000</u>	<u>\$ 255,963</u>

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2017

See Accountants' Compilation Report

	<u>Governmental Funds</u>		Total (Memorandum Only)
	<u>General Fund</u>	<u>Capital Project Fund</u>	
Revenues:			
Taxes –			
Ad valorem taxes	\$ 50,013	\$ -	\$ 50,013
Intergovernmental –			
State revenue sharing	3,016	-	3,016
Interest	<u>135</u>	<u>300</u>	<u>435</u>
Total revenues	<u>\$ 53,164</u>	<u>\$ 300</u>	<u>\$ 53,464</u>
Expenditures:			
Current –			
Public works:			
Compensation of board members	\$ 17,500	\$ -	\$ 17,500
Operating services	48,342	-	48,342
Pension deduction	<u>1,674</u>	<u>-</u>	<u>1,674</u>
Total expenditures	<u>\$ 67,516</u>	<u>\$ -</u>	<u>\$ 67,516</u>
Excess of revenues over expenditures	<u>\$ (14,352)</u>	<u>\$ 300</u>	<u>\$ (14,052)</u>
Other financing sources (uses):			
Transfers in	\$ 300	\$ -	\$ 300
Transfers out	<u>-</u>	<u>(300)</u>	<u>(300)</u>
Total other financing sources (uses)	<u>\$ 300</u>	<u>\$ (300)</u>	<u>\$ -</u>
Net change in fund balance	\$ (14,052)	\$ -	\$ (14,052)
Fund balance, beginning	<u>168,289</u>	<u>100,000</u>	<u>268,289</u>
Fund balance, ending	<u>\$ 154,237</u>	<u>\$100,000</u>	<u>\$ 254,237</u>

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS

Year Ended December 31, 2017

See Accountants' Compilation Report

Carl Hetzel, Jr.	\$ 2,550
Jerri Thompson	9,050
Pat Schultz	1,200
Roger Leger	2,400
Wendell Zaunbrecher	<u>2,300</u>
	<u>\$17,500</u>

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

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Year Ended December 31, 2017
See Accountants' Compilation Report

Agency head -- Jerri Thompson

Per diem

\$ 9,050

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2017

Finding #2017-1 Timely Deposits

Condition: The entity is not making timely deposits for tax revenues. Taxes remitted by the tax collector in various months for the applicable fiscal year for current year collections were not deposited until months later.

Criteria: Effective internal controls require that deposits restricted upon receipt should be deposited within a few business days of receipt.

Cause: Deposits of tax revenues are not being made timely when received.

Effect: Checks not deposited timely could either become lost or stolen unless properly secured and timely remitted to the District's depository bank.

Recommendations: Checks received from the tax collector should be restrictively endorsed for deposit in the District's account only and deposited with the depository within one business day of receipt.

Management Response: All 2017 tax revenue checks (ad valorem and revenue sharing) that were issued by the Acadia Parish Sheriff's office have been collected and deposited.

Finding #2017-2 Material Weakness in Internal Control

Condition: Effective policies and procedures are not in place to ensure the completeness of transactions recorded in the financial records.

Criteria: All transactions should be recorded within the financial statements on a timely basis.

Cause: Lack of bookkeeping services during the year.

Effect: Board cannot effectively monitor financial status of the District without timely and accurate financial statements. Failure to implement effective processes and procedures could increase the risks of fraud and potential errors.

Recommendations: Transactions should be recorded accurately and timely within the financial statements.

Management Response: All transactions are up to date through May 31, 2018 and all outstanding invoices were approved and paid at the June 2018 meeting.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2017

Finding #2017-3 Lack of Controls over Financial Reporting Process

Condition: Bank reconciliations were not performed during the periods of January 2017 through December 2017.

Criteria: In order to ensure financial information is useful in decision making, controls must be properly designed in place, and operating effectively. There should be adequate controls in place over the processing of cash transactions recorded in the general ledger to detect a misstatement.

Cause: Adequate controls were not in place to ensure amounts are complete and accurate throughout the year.

Effect: Material misstatements within the financial statements could go undetected.

Recommendation: Bank reconciliations should be prepared and reviewed by a separate individual on a monthly basis to ensure that amounts reported in the financial statements are complete, accurate, and represent actual and valid transactions arising from the District's operations.

Management Response: All bank statements through May 2018 are reconciled. Commencing with June 2018 meeting, the monthly treasurer's report will include the following: Balance sheet, profit and loss report, transaction list per vendor for bills paid in prior month and report of unpaid bills.

Finding #2017-4 Segregation of Duties

Condition: The entity does not have an adequate segregation of duties within the accounting function. Multiple individuals have access to the mail box. The same individuals are involved in the accounts payable function, having the ability to print, write and mail checks.

Criteria: An effective system of internal control requires a proper segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause: The District has a limited number of employees.

Effect: Ineffective system of internal controls within the District.

Recommendation: While we recognize that the District may not be a large enough entity to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. Keeping in mind the limited number of employees to which duties can be assigned, the District should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Management Response: The district only has the secretary-treasurer entering transactions so segregation of duties may be an ongoing issue. However, recommendations have been made to implement new protocols for more effective controls. These recommendations include, having one person designated to pick up mail, board members who do not sign checks will review bank statement each month, all bills will be reviewed and approved for payment by board member that does not sign checks, each check will be signed by two board members, secretary-treasurer will not sign checks unless one of the other signors is not available.

FOURTH WARD DRAINAGE DISTRICT NO. 1 OF ACADIA PARISH

SCHEDULE OF PRIOR FINDINGS
For the Year Ended December 31, 2017

None in prior year.