

5875

**BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH**

**FINANCIAL REPORT**

**DECEMBER 31, 2002**

**RECEIVED  
LEGISLATIVE AUDITOR  
2003 JUN 30 AM 11:42**

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 8/13/03

## CONTENTS

	Page
ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Combined balance sheet - all fund types and account groups	2
Combined statement of revenues, expenditures, and changes in fund balance - all governmental fund types	3
Combined statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - General Fund	4
Notes to financial statements	5-7
ACCOUNTANT'S COMPILATION REPORT ON APPLYING AGREED-UPON PROCEDURES	8-10
Schedule of prior year findings	11
LOUISIANA ATTESTATION QUESTIONNAIRE	12 and 13



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

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (337) 783-0650  
fax: (337) 783-7238

### ACCOUNTANT'S COMPILATION REPORT

*Other Offices:*

Lafayette, LA  
(337) 988-4930

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

**Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District  
Egan, Louisiana**

We have compiled the accompanying general-purpose financial statements of Bayou des Cannes - Nezpique Gravity Drainage District, as of and for the years ended December 31, 2002, as listed in the table of contents in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

In accordance with the Louisiana Governmental Audit Guide and the provision of state law, we issued a report dated June 25, 2003, on the results of our agreed-upon procedures.

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

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Borrello, CPA\*  
George J. Trappey III, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*  
Troy J. BreauX, CPA\*  
Fayette T. Dupre', CPA\*  
Mary A. Castille, CPA\*  
Joey L. BreauX, CPA\*  
Terrel P. Dressel, CPA\*

**Crowley, Louisiana  
June 25, 2003**

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche', CPA 1984  
James H. BreauX, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

BAYOU DES CANNES-NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

COMBINED BALANCE SHEET-  
ALL FUND TYPES AND ACCOUNT GROUPS  
GOVERNMENTAL FUNDS  
December 31, 2002  
See Accountant's Compilation Report

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 74,346
Certificates of deposit	580,000
Receivables	443,183
	<hr/>
Total assets	\$ 1,097,529
	<hr/> <hr/>
<b>LIABILITIES AND FUND EQUITY</b>	
Liabilities:	
Accounts payable	\$ 13,900
Fund balance:	
Unreserved - undesignated	1,083,629
	<hr/>
Total liabilities and fund equity	\$ 1,097,529
	<hr/> <hr/>

See Notes to Financial Statements.

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 2002  
See Accountant's Compilation Report

	2002
<b>Revenues:</b>	
<b>Taxes:</b>	
Ad valorem	\$ 432,522
<b>Intergovernmental:</b>	
State revenue sharing	18,759
Other	22,904
	\$ 474,185
<b>Expenditures:</b>	
<b>Current:</b>	
<b>Public works - drainage:</b>	
Compensation paid to board of commissioners	\$ 5,160
Construction costs	12,634
Contract labor	4,615
Engineer fees	73,774
Insurance	5,200
Office expense	-
Other	506
Payroll taxes	378
Pension	12,666
Professional fees	3,400
Secretary fees	2,400
Uncollected taxes	9,831
Maintenance expense	-
	\$ 130,564
Excess of revenues over expenditures	\$ 343,621
Fund balance, beginning	740,008
Fund balance, ending	\$ 1,083,629

See Notes to Financial Statements.

BAYOU DES CANNES-NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)  
AND ACTUAL - GENERAL FUND  
Year Ended December 31, 2002  
See Accountant's Compilation Report

	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Taxes:</b>			
Ad valorem	\$ 240,131	\$ 432,522	\$ 192,391
<b>Intergovernmental:</b>			
State revenue sharing	17,273	18,759	1,486
Other	21,000	22,904	1,904
	<b>\$ 278,404</b>	<b>\$ 474,185</b>	<b>\$ 195,781</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public works - drainage:</b>			
Compensation paid to board of commissioners	\$ 3,060	\$ 5,160	\$ (2,100)
Construction costs	192,538	12,634	179,904
Contract labor	4,200	4,615	(415)
Engineer fees	40,000	73,774	(33,774)
Insurance	3,066	5,200	(2,134)
Office expense	140	-	140
Other	30,100	506	29,594
Payroll taxes	-	378	(378)
Pension	-	12,666	(12,666)
Professional fees	2,900	3,400	(500)
Secretary fees	2,400	2,400	-
Uncollected taxes	-	9,831	(9,831)
	<b>\$ 278,404</b>	<b>\$ 130,564</b>	<b>\$ 147,840</b>
Excess of revenues over expenditures	\$ -	\$ 343,621	\$ 343,621
Fund balance, beginning	461,502	740,008	278,506
	<b>\$ 461,502</b>	<b>\$ 1,083,629</b>	<b>\$ 622,127</b>

See Notes to Financial Statements.

**BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH**

**NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report**

**Note 1. Summary of Significant Accounting Policies**

As provided by Louisiana Revised Statute 38:1758, the Bayou des Cannes - Nezpique Gravity Drainage District of Acadia Parish is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by Acadia Parish Police Jury. The Drainage District was created under the authority of Louisiana Revised Statutes 38:1751-1802 and was established for the purpose of opening and maintaining all natural drains in the district.

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

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the Police Jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury appoints the governing board and can influence the scope of public service, the drainage district was determined to be a component unit of Acadia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying general-purpose financial statements present information only on the funds maintained by the Drainage District and do not present information on the Police Jury, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

**Fund accounting:**

The Drainage District uses funds to report on its financial position and results of 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. The District uses the following fund:

**General Fund:**

The general fund is classified as a governmental fund. Governmental funds account for the Drainage District's general activities, including the collection and disbursement of specific or legally restricted monies. The general fund is the general operating fund of the Drainage District and accounts for all financial resources except those required to be accounted for in other funds.

**NOTES TO FINANCIAL STATEMENTS**  
See Accountant's Compilation Report

**General Fixed Assets and General Long-Term Obligations:**

The Drainage District does not have any fixed assets or long-term obligations.

**Basis of accounting:**

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

**Revenues:**

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

The following is a summary of levied ad valorem taxes:

**General corporate purposes:**

Operations and maintenance	<u>11.68</u> mills
----------------------------	--------------------

**Expenditures:**

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

**Budget practices:**

The Drainage District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Due to the fact that expenditures do not exceed \$250,000, it is not necessary to have a public hearing.
3. The budget is then legally enacted through passage of an ordinance.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. All budget appropriations lapse at year-end.

Expenditures may not legally exceed budgeted appropriations at the individual fund level by more than 5%.

**NOTES TO FINANCIAL STATEMENTS**  
**See Accountant's Compilation Report**

**Cash and certificates of deposit:**

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

These deposits (or the resulting bank balances) must be secured by federal insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus federal insurance must at all times equal the amount on deposit with the federal agent. Deposits (bank balances) totaling \$654,536 at December 31, 2002, are fully secured by federal deposit insurance and pledged securities with a market value of \$ 706,761 on December 31, 2002.

**Note 2. Receivables**

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

<u>Class of Receivables</u>	<u>General Fund</u>
Ad valorem taxes	\$ 430,677
State revenue sharing	<u>12,506</u>
<b>Total</b>	<b><u>\$ 443,183</u></b>

**Note 3. Board of Commissioners**

In January and February, Board members received \$60 per diem for attendance at meetings of the board. Starting in March the Board Members received \$100.16 per diem for attendance at meetings of the board. The board members received the following compensation during 2002:

Troy Fruge	\$ 1,220
Earl Garber	1,100
Earl Toups	920
Burley Cart	1,320
Edwin Simar	400
Barrett Courville	<u>200</u>
<b>Total</b>	<b><u>\$ 5,160</u></b>



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

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (337) 783-0650  
fax: (337) 783-7238

*Other Offices:*

Lafayette, LA  
(337) 988-4930

Opelousas, LA  
(337) 942-5217

Abbeville, LA  
(337) 898-1497

New Iberia, LA  
(337) 364-4554

Church Point, LA  
(337) 684-2855

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Bahineaux, CPA\*  
Peter C. Borrello, CPA\*  
George J. Trappey III, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Soileau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*  
Troy J. Breaux, CPA\*  
Fayette T. Dupre', CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breaux, CPA\*  
Terrel P. Dressel, CPA\*

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche', CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

## ACCOUNTANT'S COMPILATION REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District  
Egan, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Bayou des Cannes - Nezpique Gravity Drainage District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Bayou des Cannes - Nezpique Gravity Drainage District's compliance with certain laws and regulations during the year ended December 31, 2002 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

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

There were no expenditures made during the year for materials and supplies exceeding \$15,000 or 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 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.

The Drainage District had no employees during the period under examination.

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District

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.

The Drainage District had no employees during the period under examination.

*Budgeting*

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

Management provided us with a copy of the legally adopted budget. There were no amendments to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minutes of a meeting held on December 27, 2001, which indicated that the budget had been adopted by the Board of Commissioners of the Drainage District prior to the commencement of the 2002 year.

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 exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not vary from budgeted amounts by more than 5%.

*Accounting and Reporting*

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

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

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

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

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

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

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

*Meetings*

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

The Drainage District had placed a notice of each meeting in the calendar of public events, on display at the Drainage District's meeting place. Management has asserted that this calendar was properly posted.

The Board of Commissioners  
Bayou des Cannes - Nezpique  
Gravity Drainage District

*Debt*

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

We scanned copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, 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.

The Drainage District had no employees during the period under examination.

*Prior Comments and Recommendations*

12. Our prior year report, dated June 28, 2002, included an unresolved matter 2001-1 Segregation of Duties. During the current year's compilation, it was noted that an inadequate segregation of duties still exists. We have recommended to management that duties be segregated in such a way as to facilitate an adequate segregation of duties. However, the Board has evaluated this inadequacy and concluded that the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

This report is intended solely for the use of management of Bayou des Cannes - Nezpique Gravity Drainage District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

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

Crowley, Louisiana  
June 25, 2003

BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH

SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended December 31, 2002

Section I. Internal Control and Compliance Material to the Financial Statements

2001-1 Segregation of Duties

**Recommendation:** We recommend that duties be segregated in such a way as to facilitate an adequate segregation of duties.

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

Section II Internal Control and Compliance Material to Federal Awards

None

Section III. Management Letter

None

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

June 18, 2003

**Broussard, Poche', Lewis & Breaux, L.L.P**  
**P.O. Drawer 307**  
**Crowley, LA 70527-0307**

In connection with your compilation of our financial statements as of December 31, 2002 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 December 31, 2002.

**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**



**BAYOU DES CANNES - NEZPIQUE  
GRAVITY DRAINAGE DISTRICT  
OF ACADIA PARISH**

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
Year Ended December 31, 2002**

**Section I. Internal Control and Compliance Material to the Financial Statement**

**2002-1 Segregation of Duties**

The Board has evaluated this inadequacy and has determined the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation of duties.

**Section II Internal Control and Compliance Material to Federal Awards**

The compilation/attestation report contained no findings concerning federal awards.

**Section III. Management Letter**

The compilation/attestation report contained no separate management letter.

**Responsible Party: Kenneth Webb, Secretary-Treasurer**