

**BAYOU DES CANNES -
NEZPIQUE GRAVITY DRAINAGE DISTRICT
IOTA, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2020

BAYOU DES CANNES -
NEZPIQUE GRAVITY DRAINAGE DISTRICT

Annual Financial Statements
As of and for the Year Ended December 31, 2020

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bayou Des Cannes - Nezpique Gravity Drainage District
Iota, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of the Bayou Des Cannes - Nezpique Gravity Drainage District as of December 31, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bayou Des Cannes - Nezpique Gravity Drainage District preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bayou Des Cannes - Nezpique Gravity Drainage District internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Bayou Des Cannes - Nezpique Gravity Drainage District audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Bayou Des Cannes - Nezpique Gravity Drainage District as of December 31, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bayou Des Cannes - Nezpique Gravity Drainage District's basic financial statements. The schedule of compensation and benefits paid to the Agency Head is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplemental schedule is the responsibility of management and was derived and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as describes above, the Agency's Head compensation and benefits are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 28, 2021, on my consideration of the Bayou Des Cannes - Nezpique Gravity Drainage District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 28, 2021

BASIC FINANCIAL STATEMENTS

STATEMENT A

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Statement of Net Position**

December 31, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 341,978
Certificates of deposit	450,000
Ad valorem taxes receivable	485,182
State revenue sharing receivable	10,927
Interest receivable	789
Capital assets, net of accumulated depreciation	<u>271,140</u>
 TOTAL ASSETS	 <u>1,560,016</u>
 LIABILITIES	
Pension fund deduction payable	16,269
Payroll liabilities	<u>3,519</u>
	19,788
 NET POSITION	
Net investment in capital assets	271,140
Unrestricted	<u>1,269,088</u>
	<u>\$ 1,540,228</u>

The accompanying notes are an integral part of this statement.

STATEMENT B

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Statement of Activities**

For the Year Ended December 31, 2020

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position Governmental Activities
Governmental Activities			
Economic development	\$ 480,841	\$ 500,494	\$ 19,653
General Revenues			
			6,914
			10,927
			17,841
			37,494
			1,524,483
			(21,749)
			1,502,734
			\$ 1,540,228

The accompanying notes are an integral part of this statement.

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Balance Sheet - Governmental Fund**

December 31, 2020

	<u>GENERAL FUND</u>
ASSETS	
Cash and cash equivalents	\$ 341,978
Certificate of deposits	450,000
Ad valorem taxes receivable	485,182
State revenue sharing receivable	10,927
Interest receivable	789
TOTAL ASSETS	<u><u>1,288,876</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Pension fund deduction payable	16,269
Payroll liabilities	3,519
	<u>19,788</u>
Fund balance:	
Unassigned	<u>1,269,088</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,288,876</u></u>

The accompanying notes are an integral part of this statement.

STATEMENT D

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Reconciliation of the Governmental Balance Sheet
to the Government-Wide Financial Statement of Net Position**

December 31, 2020

Fund balance, total governmental funds (Statement C) \$ 1,269,088

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are
not financial resources and are therefore not
reported in the funds.

Capital assets, net 271,140

Net position of governmental activities (Statement A) \$ 1,540,228

The accompanying notes are an integral part of this statement.

STATEMENT E

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Fund
For the Year Ended December 31, 2020**

	GENERAL FUND
REVENUES	
Taxes:	
Ad valorem	\$ 500,494
Intergovernmental - State revenue sharing	10,927
Investment earnings	6,914
Total revenues	518,335
EXPENDITURES	
Salaries and wages	198,822
Compensation to board members	7,050
Payroll taxes	16,477
Pension fund	14,694
Insurance	34,747
Drainage maintenance	29,971
Equipment leases	96,483
Fuel	15,051
Chemical spraying	4,427
Professional fees	18,280
Miscellaneous	4,244
Total expenditures	440,246
Net change in fund balance	78,089
Fund balance – beginning as previously stated	1,212,748
Prior period adjustment	(21,749)
Fund balance - as restated	1,190,999
Fund balance – ending	\$ 1,269,088

The accompanying notes are an integral part of this statement.

STATEMENT F

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Fund
to the Statement of Activities**

For the Year Ended December 31, 2020

Net change in fund balance, governmental fund (Statement E)	\$	78,089
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.

Capital Outlay	-		
Depreciation expense	<u>(40,595)</u>	<u>(40,595)</u>	

Change in net position of governmental activities (Statement B)	\$	<u><u>37,494</u></u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Bayou des Cannes – Nezpique Gravity Drainage District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASE) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies of the District are described below.

Financial Reporting Entity

As provided by Louisiana Revised Statute 38:1607, the District is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the Acadia Parish Police Jury (the "Police Jury"). The District was created under the authority of Louisiana Revised Statutes 38:1601-1707 and was established for the purpose of draining and reclaiming the undrained or partially drained marsh, swamp, and overflowed lands in the District that must be levied and pumped in order to be drained and reclaimed.

In conformance with GASE Codification Section 2100, the District is a component unit of the Police Jury, the governing body of the Parish and the governmental body oversight responsibility. 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 governmental services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

Basis of Presentation

The District's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements -

The government-wide financial statements include the statement of net position and the statement of activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic basis, which recognizes all long-term assets and receivables as

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

well as long-term debt and obligations. The District's net position is reported in two parts – net investment in capital assets and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grant while the capital grants include capital-specific grants.

The District reports all direct expenses by function in the government-wide statements of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is included as a direct expense. The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, investment earnings, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the District's funds. The emphasis of the fund financial statements is on major governmental funds. The district has only one fund, its General Fund. The General Fund is the District's general operating fund and it is used to account for all of the financial resources of the District.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grant while the capital grants include capital-specific grants.

The District reports all direct expenses by function in the government-wide statements of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is included as a direct expense. The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, investment earnings, etc.).

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the District's funds. The emphasis of the fund financial statements is on major governmental funds. The district has only one fund, its General Fund. The General Fund is the District's general operating fund and it is used to account for all of the financial resources of the District.

Basis of Accounting

Government-wide financial statements -

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions, in

which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which they are levied. Revenue from grants and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

Fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be

determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Property taxes are recognized in the year they are billed. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Fixed assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide statements -

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and Improvements	5 – 39
Equipment	5 – 10

Fund financial statements –

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

District employees earn paid vacation and sick leave. Vacation leave cannot be carried over from one year to another. Sick leave can be carried over up to a maximum of 10 days. Employees are not paid unused vacation and sick leave upon separation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Equity Classifications:

Government-wide statements -

Equity is classified as net position and displayed in two components:

- a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation reduced by the balance of debt used to acquire capital assets, if any.
- b. Unrestricted net position – All other net position that do not meet the definition of **"net investment in capital assets."**

The District did not have any restricted net position at December 31, 2020.

Fund financial statements -

Government fund equity is classified as fund balance. GASE Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or management of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt services, or for other purposes).

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Cash includes amounts in demand deposits.

Under state laws, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the District had cash (book balance) totaling \$733,485, \$450,000 certificate of deposits and \$283,485 demand deposits.

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 bank. 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.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

Deposit balances (bank balances) at December 31, 2020, are secured as follows:

Bank balances, including certificates of deposit	\$ 780,186
Federal deposit insurance	<u>(250,000)</u>
Balance	530,186
Pledged securities (Category 3)	<u>(530,186)</u>
Balance uninsured	<u><u>\$ -</u></u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3), state law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 CERTIFICATES OF DEPOSITS

State statutes authorize the District to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District's investments at December 31, 2020 consisted of time certificates of deposit purchased from local financial institutions. These certificates are not subject to GASB Statement No. 31 requirements; thus, they are stated at cost.

Investments consist of the following certificates of deposit:

Institution	Term	Maturity Date	Interest Rate	Amount
The Evangeline Bank & Trust Co.	6 months	3/4/2021	0.35%	\$ 50,000
The Evangeline Bank & Trust Co.	6 months	3/4/2021	0.35%	50,000
The Evangeline Bank & Trust Co.	9 months	1/28/2021	0.85%	50,000
The Evangeline Bank & Trust Co.	9 months	1/28/2021	0.85%	100,000
The Evangeline Bank & Trust Co.	12 months	3/4/2021	1.25%	<u>200,000</u>
				<u><u>\$ 450,000</u></u>

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 4 ADVOREM TAXES

Government-wide financial statements -

Ad valorem taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements -

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Taxes are budgeted and the revenue recognized in the year they are levied. The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

The district authorized and levied general corporate taxes of 5.95 mills on property with assessed valuations totaling \$83,951,833, exclusive of homestead exemptions, for the year ended December 31, 2020.

Total taxes levied, exclusive of homestead exemptions, was \$538,304 for year the ended December 31, 2020. Ad valorem taxes receivable consist of taxes collected by the Acadia Parish Sheriff's Office that have not been remitted to the District and amounts due from taxpayers. Ad valorem taxes receivable at December 31, 2020 totaled \$485,182, all of which are deemed collectible.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 14,094	\$ -	\$ -	\$ 14,094
Capital assets being depreciated -				
Building and improvements	170,349	-	-	170,349
Equipment	<u>435,157</u>	<u>-</u>	<u>-</u>	<u>435,157</u>
Total capital assets being depreciated	<u>605,506</u>	<u>-</u>	<u>-</u>	<u>605,506</u>
Less accumulated depreciation:				
Building and improvements	(55,664)	(4,751)	-	(60,415)
Equipment	<u>(252,201)</u>	<u>(35,844)</u>	<u>-</u>	<u>(288,045)</u>
Total accumulated depreciation	<u>(307,865)</u>	<u>(40,595)</u>	<u>-</u>	<u>(348,460)</u>
Total capital assets being depreciated, net	<u>297,641</u>	<u>(40,595)</u>	<u>-</u>	<u>257,046</u>
Capital assets - net	<u><u>\$ 311,735</u></u>	<u><u>\$ (40,595)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 271,140</u></u>

Depreciation expense of \$40,595 was charged to public works.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

Notes to Financial Statements

NOTE 6 COMPENSATION PAID TO THE BOARD COMMISSIONERS

Compensation paid to commissioners for the year ended December 31, 2020 is as follows:

Troy Fruge	\$ 1,350
Danny Wimberly	1,350
Brent Reed	1,500
Terry Broussard	1,500
Earl Garber	1,350
	<u>\$ 7,050</u>

NOTE 7 OPERATING LEASES

The District is committed under various operating leases for equipment with terms of three years. Total lease expenditures for the year ended December 31, 2020 were \$96,483. Future minimum lease payments under these leases are as follows:

2021	\$ 64,046
2022	<u>22,109</u>
	<u>\$ 86,155</u>

NOTE 8 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 purchases commercial insurance to cover any claims related to these risks.

NOTE 9 PRIOR PERIOD ADJUSTMENT

The prior period adjustment is a result of over accruals in the previous year. The result of the adjustment was to decrease the beginning fund balance by \$21,749.

NOTE 10 SUBSEQUENT EVENTS

The District evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 28, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

**BAYOUDES CANNES -
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
General Fund
For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem	\$ 468,000	\$ 468,000	\$ 500,494	\$ 32,494
Intergovernmental -				
State revenue sharing	7,000	7,000	10,927	3,927
Investment earnings	6,000	6,000	6,914	914
Total revenues	481,000	481,000	518,335	37,335
EXPENDITURES				
Salaries and wages	194,000	199,000	198,822	(178)
Compensation to board member	7,000	6,300	7,050	750
Payroll taxes	15,000	15,000	16,477	1,477
Pension fund	20,000	20,000	14,694	(5,306)
Insurance	35,000	37,000	34,747	(2,253)
Drainage maintenance	65,000	36,700	29,971	(6,729)
Equipment leases	84,000	97,000	96,483	(517)
Fuel	-	-	15,051	15,051
Chemical spraying	-	-	4,427	4,427
Professional fees	11,000	17,000	18,280	1,280
Miscellaneous	-	-	4,244	4,244
Total expenditures	431,000	428,000	440,246	12,246
Net change in fund balance	50,000	53,000	78,089	25,089
Fund balance – beginning	1,190,999	1,190,999	1,190,999	-
Fund balance – ending	\$ 1,240,999	\$ 1,243,999	\$ 1,269,088	\$ 25,089

See accompanying note to Budgetary Comparison Schedule.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Iota, Louisiana**

Note to Budgetary Comparison Schedule

Budget Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted and as finally amended by the Board Commissioners. State statutes require the District to amend its budget when revenues plus projected revenues are expected to be less than five percent of budgeted revenues and/or expenditures are expected to exceed budgeted expenditures by five percent or more.

ADDITIONAL INFORMATION

**BAYOU DES CANNES-
NEZPIQUE GRAVITY DRAINAGE DISTRICT
Schedule of Compensation, Benefits, and Other Payments to the
Agency Head**

For the Year Ended December 31, 2020

Rebecca Manuel, Office Manager

<u>Purpose</u>	<u>Amount</u>
Salary	\$18,000
Benefits-insurance	261
Benefits-retirement	1,116
Benefits-dues	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Bayou Des Cannes - Nezpique Gravity Drainage District
Iota, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Bayou Des Cannes - Nezpique Gravity Drainage District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued my report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Bayou Des Cannes - Nezpique Gravity Drainage District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bayou Des Cannes - Nezpique Gravity Drainage District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Bayou Des Cannes - Nezpique Gravity Drainage District's internal controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify one deficiency in internal control described in the accompanying Schedule of Current and Prior Year Findings, 01-2020 (IC), that I consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bayou Des Cannes - Nezpique Gravity Drainage District's financial statements are free of material misstatement. I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bayou Des Cannes - Nezpique Gravity Drainage District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bayou Des Cannes - Nezpique Gravity Drainage District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 28, 2021

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

**Summary Schedule of Audit Findings
For the Year Ended December 31, 2020**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unqualified opinion on the financial statements of the District.
2. One control deficiency was disclosed during the audit of the financial statements and is reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instance of noncompliance of the District was disclosed during the audit.
4. The District did not require a Single Audit.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

Current Year Findings:

See Schedule of Current Year Audit Findings.

Prior Year Findings:

See Schedule of Prior Year Findings.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

**Schedule of Current Year Audit Findings
For the Year Ended December 31, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

Finding 01 – 2020 (IC) – Segregation of Duties

Finding. The District did not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that incompatible functions within the accounting system be performed by separate persons.

Effect. Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Management's Response. The District has determined that it not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.

**BAYOU DES CANNES –
NEZPIQUE GRAVITY DRAINAGE DISTRICT**

**Schedule of Current Year Audit Findings
For the Year Ended December 31, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

Finding 01 – 2019 (IC) – Segregation of Duties

Finding. The District did not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that incompatible functions within the accounting system be performed by separate persons.

Effect. Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Management's Response. The District has determined that it not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.