

**PRAIRIE GREGG GRAVITY  
DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2**  
Vermilion Parish, Louisiana

Financial Report

Year Ended December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Prairie Gregg Gravity Drainage District  
and Sub Drainage District #2  
Vermilion Parish, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Prairie Gregg Gravity Drainage District and Sub Drainage District #2 (the District), a component unit of the Vermilion Parish Police Jury, as of and for the year ended December 31, 2020, 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*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity's 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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District, as of December 31, 2020, and the respective changes in financial position, for the year then ended in accordance 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 pages 23-24 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has omitted 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 Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
June 21, 2021

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Statement of Net Position  
December 31, 2020

ASSETS

Cash and interest-bearing deposits	\$ 900,071
Ad valorem taxes receivable	791,139
Due from other governmental units	5,478
Other receivables	10,483
Prepaid items	5,382
Capital assets, net	<u>277,445</u>
Total assets	<u>1,989,998</u>

LIABILITIES

Accounts payables	34,423
Payroll taxes payable	<u>4,437</u>
Total liabilities	<u>38,860</u>

NET POSITION

Net investment in capital assets	277,445
Unrestricted	<u>1,673,693</u>
Total net position	<u>\$1,951,138</u>

The accompanying notes are an integral part of the basic financial statements.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Statement of Activities  
For The Year Ended December 31, 2020

Expenses:	
Public works	<u>\$ 939,323</u>
General revenues:	
Ad valorem taxes	788,058
State revenue sharing	3,696
Miscellaneous income	<u>24,214</u>
Total general revenues	<u>815,968</u>
Change in net position	(123,355)
Net position, beginning	<u>2,074,493</u>
Net position, ending	<u>\$ 1,951,138</u>

The accompanying notes are an integral part of the basic financial statements.



**FUND FINANCIAL STATEMENTS (FFS)**

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Balance Sheet - Governmental Fund  
December 31, 2020

ASSETS

Cash and interest-bearing deposits	\$ 900,071
Ad valorem taxes receivable	791,139
Due from other governments	5,478
Other receivables	10,483
Prepaid insurance	<u>5,382</u>
 Total assets	 <u>\$ 1,712,553</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 34,423
Payroll taxes payable	<u>4,437</u>
Total liabilities	<u>38,860</u>
 Fund balance:	
Nonspendable - Prepaids	5,382
Unassigned	<u>1,668,311</u>
 Total fund balance	 <u>1,673,693</u>
 Total liabilities and fund balance	 <u>\$ 1,712,553</u>

The accompanying notes are an integral part of the basic financial statements.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2020

Fund balance for governmental fund	\$1,673,693
Capital assets, net	<u>277,445</u>
Net position of governmental activities	<u>\$1,951,138</u>

The accompanying notes are an integral part of the basic financial statements.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
Governmental Fund  
For The Year Ended December 31, 2020

Revenues:	
Ad valorem taxes	\$ 788,058
State revenue sharing	3,696
Miscellaneous income	<u>24,214</u>
Total revenues	<u>815,968</u>
Expenditures:	
Current -	
Public works	873,246
Capital outlay	<u>59,098</u>
Total expenditures	<u>932,344</u>
Deficiency of revenues over expenditures	(116,376)
Fund balance, beginning	<u>1,790,069</u>
Fund balance, ending	<u>\$1,673,693</u>

The accompanying notes are an integral part of the basic financial statements.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For The Year Ended December 31, 2020

Net changes in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ (116,376)
Capital Outlay	\$	59,098	
Depreciation Expense		<u>(66,077)</u>	<u>(6,979)</u>
Change in net position per Statement of Activities			<u>\$ (123,355)</u>

The accompanying notes are an integral part of the basic financial statements.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Prairie Gregg Gravity Drainage District and Sub Drainage District #2 (the District), a component unit of the Vermilion Parish Police Jury, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

A. Financial 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
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury created the District and appoints its board of commissioners, the District was determined to be a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the governmental body with 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 government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

As provided by Louisiana Revised Statute 38:1758, the Prairie Gregg Drainage District (the District) is governed by five commissioners. These five commissioners are referred to as the board of commissioners and are appointed by the Vermilion Parish Police Jury. The District was created under the authority of Louisiana Revised Statutes 38:1751 – 1802 and was established for the purpose of draining and reclaiming the undrained or partially drained marsh, swamp, and overflowed lands in the district that might be levied and pumped in order to be drained and reclaimed.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all financial activities of the reporting entity. The District has no business type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

The major fund of the District is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District operations.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.



PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state revenue sharing funds. For state revenue sharing funds, the period is extended to 150 days after the fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Revenues

Intergovernmental revenues and fees, charges and commissions for services are recorded when the District is entitled to the funds.

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on November 15 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

The District uses unrestricted resources only when restricted resources are fully depleted.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts and certificates of deposits of the District.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-10 years
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In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Full-time employees of the District with one year of service are allowed one week of vacation leave each year; full-time employees with two years of service are allowed two weeks of vacation leave each year; full-time employees with ten years of service are allowed three weeks of vacation leave each year; and full-time employees with twenty years of service are allowed four weeks of vacation leave each year. Vacation leave does not accumulate from year to year. Full-time employees are allowed one day sick leave for each month worked beginning with the day they are employed. Employees can accumulate up to 148 days of sick leave, but the sick pay does not vest

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

upon termination. Employees who resign, retire or are dismissed from employment shall not be paid for any accrued sick leave.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

The District has no restricted net position at December 31, 2020.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

In the fund statements, governmental fund equity is classified as fund balance as follows.

*Non-spendable* – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the District's board members. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only board members may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board members have provided otherwise in its commitment or assignment actions.

E. Expenditures and Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

(2) Cash and Interest-Bearing Deposits

Under state law, 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.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. 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 pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances), are as follows:

Bank balances	<u>\$ 903,924</u>
Deposits are secured as follows:	
Insured deposits	\$ 750,000
Uninsured and collateral held by the pledging bank, not in the District's name	<u>153,924</u>
Total	<u>\$ 903,924</u>

(3) Capital Assets

Capital asset balances and activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Equipment	\$ 1,242,255	\$ 59,098	\$ 88,072	\$ 1,213,281
Less accumulated depreciation:				
Equipment	<u>957,831</u>	<u>66,077</u>	<u>88,072</u>	<u>935,836</u>
Net capital assets	<u>\$ 284,424</u>	<u>\$ (6,979)</u>	<u>\$ -</u>	<u>\$ 277,445</u>

Depreciation expense in the amount of \$66,077 was charged to the public works function.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

(4) Operating Lease

The District has entered into a 60-month operating lease agreement on August 22, 2020 for the use of a Caterpillar excavator which expires September 22, 2025 and is to be paid in sixty monthly payments of \$1,874. The District has entered into a 60-month operating lease agreement on September 28, 2018 for the use of a Kobelco excavator which expires September 28, 2023 and is to be paid in sixty monthly payments of \$2,948. Lease expense was \$70,723. The future minimum rental payments required under these operating leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2021	57,857
2022	57,857
2023	46,067
2024	22,485
2025	16,864
	<u>\$ 201,130</u>

(5) 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; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in the insurance coverage during the year. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

(6) Compensation, Benefits, and Other Payments to President

A detail of compensation, benefits, and other payments paid to President Henrik Kasperski is as follows:

<u>Purpose</u>	<u>Amount</u>
Per Diem	\$ 1,800
Salary	8,454
Total	<u>\$ 10,254</u>

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AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Basic Financial Statements

(7) Compensation Paid Board of Commissioner

A summary of compensation paid to the board of commissioners is as follows:

Bonnie Broussard	\$ 1,650
Mark Broussard	1,650
Emile Thibodeaux	1,650
Robert Moss	<u>1,500</u>
Total	<u>\$ 6,450</u>

(8) Litigation

There was no litigation pending against the District at December 31, 2020.

(9) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. In April of 2020, GASB extended the implementation date of this standard by one year. The effect of implementation on the District's financial statements has not yet been determined.

**REQUIRED  
SUPPLEMENTARY INFORMATION**



PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana  
General Fund

Budgetary Comparison Schedule  
For The Year Ended December 31, 2020

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 751,070	\$ 706,700	\$ 788,058	\$ 81,358
State revenue sharing	7,000	4,000	3,696	(304)
Miscellaneous Income	24,500	14,300	24,214	9,914
Total revenues	<u>782,570</u>	<u>725,000</u>	<u>815,968</u>	<u>90,968</u>
Expenditures:				
Current:				
Public works	864,350	869,552	873,246	(3,694)
Capital outlay	-	59,098	59,098	-
Total expenditures	<u>864,350</u>	<u>928,650</u>	<u>932,344</u>	<u>(3,694)</u>
Deficiency of revenue over expenditures	(81,780)	(203,650)	(116,376)	87,274
Fund balance, beginning	<u>1,790,069</u>	<u>1,790,069</u>	<u>1,790,069</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,708,289</u>	<u>\$ 1,586,419</u>	<u>\$ 1,673,693</u>	<u>\$ 87,274</u>

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Notes to Budgetary Comparison Schedule

(1) Budgetary Practices

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

1. The District's Accountant prepares a proposed budget and presents it to the Board of Commissioners prior to fifteen days before the beginning of each fiscal year.
2. Any changes in the proposed annual operating budget requires a majority vote of the Board of Commissioners.
3. No later than the last regular meeting of the fiscal year, the Board of Commissioners adopts the annual operating budget for the ensuing fiscal year.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budget appropriations lapse at year-end.

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## 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*

Board of Commissioners  
Prairie Gregg Gravity Drainage District  
and Sub Drainage District #2  
Vermilion Parish, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of Prairie Gregg Gravity Drainage District and Sub Drainage District #2 (the District), a component unit of the Vermilion Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 21, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a 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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of current and prior year findings and management's corrective action plan as item, 2020-001, that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Prairie Gregg Gravity Drainage District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned cost. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
June 21, 2021

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2020

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Accounting Functions

CONDITION: Prairie Gregg Gravity Drainage District did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as:

“A process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the District does not have a sufficient number of staff performing administrative and financial duties to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody (3) record keeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Board of Commissioners concurs with the audit finding. Due to size of staffing, the achievement of adequate segregation of duties is desirable, but cost prohibitive. All efforts are given to segregate duties where feasible. In an effort to establish more sound controls the Board of Commissioners monitors activity and balances in all fund accounts.

B. Compliance

No items reported under this section.

PRAIRIE GREGG GRAVITY DRAINAGE DISTRICT  
AND SUB DRAINAGE DISTRICT #2  
Vermilion Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended December 31, 2020

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Accounting Functions

CONDITION: Prairie Gregg Gravity Drainage District did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody (3) record keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2020-001.