

GRAVITY DRAINAGE DISTRICT NO. ONE  
OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Commissioners  
 Gravity Drainage District No. One of Ward Two  
 of St. Landry Parish  
 Sunset, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, and each major fund of Gravity Drainage District No. One of Ward Two of St. Landry Parish, a component unit of the St. Landry Parish Government as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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 the financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 16 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. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

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To the Board of Commissioners  
Gravity Drainage District No. One of Ward Two  
of St. Landry Parish  
Sunset, Louisiana  
Page 2

Management has omitted the management's discussion and analysis information that the Governmental Accounting Standards Board requires 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

#### **Other Supplementary Information**

The accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.



Opelousas, Louisiana  
June 16, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash	\$ 363,833
Investments	662,038
Receivables	
Property taxes (net of allowances for uncollectibles)	218,309
State revenue sharing	10,084
Accrued interest receivable	1,773
<u>Total assets</u>	<u>1,256,037</u>
 <u>LIABILITIES</u>	
Payroll withholdings	191
<u>Total liabilities</u>	<u>191</u>
 <u>NET POSITION</u>	
Unrestricted	<u>1,255,846</u>
<u>Total net position</u>	<u>1,255,846</u>

See accompanying notes and independent accountant's review report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>NET (EXPENSES)</u> <u>REVENUES AND</u> <u>CHANGES IN</u> <u>NET POSITION</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
<u>FUNCTIONS/PROGRAMS</u>	
<u>EXPENSES</u>	
<u>Governmental Activities</u>	
Public works	\$ (134,497)
<u>Total governmental activities</u>	<u>(134,497)</u>
<u>GENERAL REVENUES</u>	
Taxes	
Property	268,656
Intergovernmental	
State revenue sharing	15,126
Interest on property taxes	1,001
Investment earnings	11,011
<u>Total general revenues</u>	<u>295,794</u>
<u>Changes in net position</u>	161,297
Net position – January 1, 2019	<u>1,094,549</u>
Net position – December 31, 2019	<u><u>1,255,846</u></u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
BALANCE SHEET  
GENERAL FUND  
DECEMBER 31, 2019

ASSETS

Cash	\$ 363,833
Investments	662,038
Property taxes receivable (net)	218,309
Revenue sharing receivable	10,084
Accrued interest receivable	<u>1,773</u>
<u>Total assets</u>	<u><u>1,256,037</u></u>

LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCE

LIABILITIES

Payroll withholdings	\$ 191
<u>Total liabilities</u>	<u><u>191</u></u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues - property taxes	19,576
Unavailable revenues - state revenue sharing	10,084
<u>Total deferred inflows of resources</u>	<u><u>29,660</u></u>

FUND BALANCE

Fund balance	
Unassigned	1,226,186
<u>Total fund balance</u>	<u><u>1,226,186</u></u>

TOTAL LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND FUND BALANCE

1,256,037

See accompanying notes and independent accountant's review report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2019

Total fund balance for the governmental fund at December 31, 2019	\$ 1,226,186
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds.	<u>29,660</u>
Net position at December 31, 2019	<u><u>1,255,846</u></u>

See accompanying notes and independent accountant's review report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES

Taxes	
Property taxes	\$ 269,966
Intergovernmental	
State revenue sharing	15,186
Interest	
On property taxes	1,001
On investments	11,011
<u>Total revenues</u>	<u>297,164</u>

EXPENDITURES

Current operating	
General and administrative	
Professional fees	5,694
Office expense	559
Per diem	9,000
Bank charges	240
Travel	238
Salary	6,000
Payroll taxes	1,148
Insurance	270
Soil and conservation fees	600
Drainage	
Maintenance	108,588
Engineering expense	2,160
<u>Total expenditures</u>	<u>134,497</u>

NET CHANGE IN FUND BALANCE 162,667

FUND BALANCE, beginning of year 1,063,519

FUND BALANCE, end of year 1,226,186

See accompanying notes and independent accountant's review report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, 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, 2019

Total net change in fund balance for the year ended December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 162,667
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received	<u>(1,370)</u>
<u>Total change in net position for the year</u> <u>ended December 31, 2019 per Statement</u> <u>of Activities</u>	<u>161,297</u>

See accompanying notes and independent accountant's review report.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Gravity Drainage District No. One of Ward Two 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.

The following is a summary of certain significant accounting policies and practices of the District.

A. FINANCIAL REPORTING ENTITY

The Gravity Drainage District No. One of Ward Two of St. Landry Parish was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Parish Government to impose its will on that organization, and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Government.
2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent on the Parish Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Government appoints the five commissioners of Gravity Drainage District No. One of Ward Two, and thus has the ability to impose its will on the Drainage District, the District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of Gravity Drainage District No. One of Ward Two, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 of goods or services offered by the program, 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. The accounts of the District are organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The funds of the District are classified into one category – governmental.

The District reports the following governmental fund:

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 as defined in item “b” on the next page.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – CONTINUED

Measurement Focus - Continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchases of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - CONTINUED

Equity Classifications

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

1. Net invested in capital assets - Consist of net capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consist of net position with constraints 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.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net invested in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes.

Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds that are not classified as nonspendable and are neither restricted nor committed.

4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - CONTINUED

Equity Classifications - Continued

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

D. BUDGETS

The District adopted a 2019 budget for the General Fund in December 2018. The 2019 budget for the General Fund was later amended in December 2019.

E. ENCUMBRANCES

The District does not employ the encumbrance system of accounting.

F. INVESTMENTS IN CASH

Investments, which are time certificates of deposit are stated at cost, which approximates market.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, the Louisiana Asset Management Pool, or any other federally insured investment.

G. 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 revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (2) - CASH AND INVESTMENTS

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 collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk, however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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. No Deposits were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name.

Bank balances	\$ 1,025,871
Federal deposit insurance	\$ 603,683
Pledged securities	422,188
Total FDIC insurance and collateral	1,025,871

NOTE (3) - AD VALOREM TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

For the year ended December 31, 2019, a tax millage of 7.76 was assessed for maintenance. As per state requirements, each taxing district of the parish must remit a portion of total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, property taxes are shown net of pension fund distributions as follows:

	Total Per Tax Roll	Pension Fund Requirements	Allowance for Uncollectible Taxes	Tax Received in December	Tax Receivable
2019	\$ 284,792	\$ (9,042)	\$ (4,858)	\$ (52,583)	\$ 218,309

An estimated allowance for uncollectible property tax has been set up based on prior years' experience.

Governmental funds report deferred revenue in connection with receivables for revenues over 60 days that are not considered to be available to liquidate liabilities of the current period.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE (4) - FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2019.

NOTE (5) - PER DIEM

A schedule of per diem paid to the board members is presented below:

<u>Governing Board Members</u>	<u>Office Held</u>	<u>Per Diem</u>
Jerry Domengeaux	Chairman	\$ 1,800
Robert P. Fox	Co-Chairman	1,800
Charles Johnson	Board Member	1,800
Peter Smith, Jr.	Board Member	1,800
Ronald Dugas	Board Member	1,800
		<u>9,000</u>

NOTE (6) - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification and fund.

	<u>General Fund</u>
Fund Balances:	
Nonspendable	\$ -
Restricted	-
Committed	-
Assigned	-
Total - Assigned	<u>-</u>
Unassigned	<u>1,226,186</u>
 Total Fund Balances	 <u>1,226,186</u>

NOTE (7) - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Gravity Drainage District No. One of Ward Two of St. Landry Parish does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

NOTE (8) - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 16, 2020, which is the date the financial statements were available to be issued. As of June 16, 2020, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON SCHEDULE

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>AMENDED</u>		
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 219,000	\$ 246,078	\$ 269,966	\$ 23,888
Intergovernmental				
State revenue sharing	17,000	10,144	15,186	5,042
Interest				
On property taxes	1,000	994	1,001	7
On investments	1,000	9,756	11,011	1,255
<u>Total revenues</u>	<u>238,000</u>	<u>266,972</u>	<u>297,164</u>	<u>30,192</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative				
Professional fees	11,000	8,555	5,694	2,861
Office expense	700	537	559	(22)
Per diem	10,000	9,257	9,000	257
Bank charges	600	600	240	360
Travel	1,000	238	238	-
Salary	6,000	6,000	6,000	-
Advertising	500	500	-	500
Payroll taxes	3,200	1,052	1,148	(96)
Miscellaneous	2,000	100	-	100
Insurance	300	270	270	-
Soil conservation fees	600	600	600	-
Drainage				
Maintenance	250,000	108,588	108,588	-
Engineering expense	-	-	2,160	(2,160)
<u>Total expenditures</u>	<u>285,900</u>	<u>136,297</u>	<u>134,497</u>	<u>1,800</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(47,900)</u>	<u>130,675</u>	162,667	<u>31,992</u>
<u>FUND BALANCE, beginning of year</u>			<u>1,063,519</u>	
<u>FUND BALANCE, end of year</u>			<u>1,226,186</u>	

OTHER SUPPLEMENTARY INFORMATION

James L. Nicholson, Jr., CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
 www.jsdc-cpas.com

John S. Dowling, CPA - 1904-1984  
 John Newton Stout, CPA - 1936-2005  
 Chizal S. Fontenot, CPA - 1955-2012  
 Russell J. Stelly, CPA - 1942 - 2019

Retired

Harold Dupre, CPA - 1996  
 Dwight Ledoux, CPA - 1998  
 Joel Lanclos, Jr., CPA - 2003  
 G. Kenneth Pavy, II, CPA - 2020

Van L. Auld, CPA

INDEPENDENT ACCOUNTANT'S REPORT  
 ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
 Gravity Drainage District No. One of Ward Two  
 of St. Landry Parish  
 Sunset, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Gravity Drainage District No. One of Ward Two of St. Landry Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2019, included in the accompanying Louisiana Attestation Questionnaire. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this 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. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.s) 39:1551-39:1775 (the state procurement code) or RS 38:2211-2296 (the public big law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list including the noted information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

To the Board of Directors  
 Gravity Drainage District No. One of Ward Two  
 of St. Landry Parish  
 Sunset, Louisiana  
 Page 2

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees in procedure 3 were on the list from procedure 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether vendors appear on both lists.

Management provided the requested information and vendors do not appear on both lists.

#### Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amended budget.

7. Trace documentation for the adoption of the budgets and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced the adoption of the original budget to the minutes of a meeting held on December 19, 2018, which indicated that the budget had been adopted by the commissioners of the District. We traced the amendment of the 2019 budget to the minutes of a meeting held on December 18, 2019.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5 % or more in total).

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

#### Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) report whether the six disbursements agree to the amount and payee in the supporting documentation;

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) report whether the six disbursements are coded to the correct fund and general ledger account, and;

The payments were properly coded to the correct fund and general ledger account.

- (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements and the corresponding monthly meeting minutes indicated approval by the board.

To the Board of Directors  
 Gravity Drainage District No. One of Ward Two  
 of St. Landry Parish  
 Sunset, Louisiana  
 Page 3

#### Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The district is only required to post a notice of each meeting and the accompanying agenda on the door of its office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

#### Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Board Commission and report any exceptions.

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

#### Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes for the governing board if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

#### Prior Comments and Recommendations

13. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

Our prior year report, dated June 19, 2019, included no comments or unresolved matters.

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Opelousas, Louisiana  
 June 16, 2020

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Governmental Agencies)

12/19/19 (Date Transmitted)

John S Rowling & Co (CPA Firm Name)

PO Box 1549 (CPA Firm Address)

Ogelasas LA 70571-1549 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/19 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R.S. 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 R.S. 42:1119.

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [  ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [  ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [] No [  ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [  ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No [  ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No [  ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No [  ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No [  ]

The previous responses have been made to the best of our belief and knowledge.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
	President	12/19/2019	Date

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019

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

N/A

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III – MANAGEMENT LETTER

No findings

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

N/A

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III – MANAGEMENT LETTER

No findings

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH  
SUNSET, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
AS OF DECEMBER 31, 2019

Agency Head Name: Jerry Domengeaux, Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$1,800
Benefits-insurance	0
Benefits-retirement	0
Benefits	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	26
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

See independent accountant's review report.