

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE
DISTRICT NO. 5 OF THE PARISH OF ST. TAMMANY,
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

December 31, 2025

(With Independent Accountant's Compilation Report Thereon)

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

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Independent Accountant's Compilation Report

Board of Commissioners

**Sub-Drainage District No. 2 of Gravity Drainage District No. 5
of the Parish of St. Tammany, State of Louisiana
Mandeville, Louisiana**

Management is responsible for the accompanying basic financial statements of the governmental activities and each major fund of Sub-Drainage District No. 2 of Gravity District No. 5 of the Parish of St. Tammany, State of Louisiana (the District), as of and for the year ended December 31, 2025 which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 8 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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. Such information is the representation of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

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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 the 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 agency head on page 9 and schedule of compensation paid to board members on page 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of management. The other supplementary information was subject to our compilation engagement. We have not audited or reviewed the other supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Other Matters

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

Griffin & Furman, LLC

January 21, 2026

Covington, Louisiana

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Statement of Net Position

December 31, 2025

(See Independent Accountant's Compilation Report)

Assets

| | | | |
|---|----|------------------|----------------------------|
| Cash | \$ | 58,972 | |
| Capital assets, net of accumulated depreciation | | <u>1,252,494</u> | |
| Total assets | | | \$ <u>1,311,466</u> |

Liabilities and Net Position

| | | | |
|---|----|----------------|----------------------------|
| Liabilities: | | | |
| Accounts payable | \$ | <u>64,110</u> | |
| Total liabilities | | | 64,110 |
| Net position: | | | |
| Net investment in capital assets | | 1,252,494 | |
| Unrestricted | | <u>(5,138)</u> | |
| Total net position | | | <u>1,247,356</u> |
| Total liabilities and net position | | | \$ <u>1,311,466</u> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2025

(See Independent Accountant's Compilation Report)

| | <u>Governmental Activities</u> | |
|---|--------------------------------|-----------------------------------|
| Expenses: | | |
| Accounting and audit | \$ 5,000 | |
| Administrative | 8,005 | |
| Bank charges | 436 | |
| Depreciation | 65,289 | |
| Repairs and maintenance | 19,280 | |
| Insurance | 5,815 | |
| Sheriff's collection fee | 8,888 | |
| Total expenses | | <u>112,713</u> |
| General revenues: | | |
| Parcel fees | 146,977 | |
| Interest income | 317 | |
| Total general revenues | | <u>147,294</u> |
| Change in net position | | 34,581 |
| Net position - beginning of year | | <u>1,212,775</u> |
| Net position - end of year | | \$ <u><u>1,247,356</u></u> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

Balance Sheet

December 31, 2025

(See Independent Accountant's Compilation Report)

Assets

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|------------------------|----------------------------|---|--|
| Current Assets: | | | |
| Cash | \$ <u>57,378</u> | <u>1,594</u> | <u>58,972</u> |
| | <u>57,378</u> | <u>1,594</u> | <u>58,972</u> |

Liabilities and Fund Balances

| | | | |
|--|------------------|-----------------|----------------|
| Current Liabilities: | | | |
| Accounts payable | <u>-</u> | <u>64,110</u> | <u>-</u> |
| Total current liabilities | <u>-</u> | <u>64,110</u> | <u>64,110</u> |
| Fund Balances: | | | |
| Committed to capital projects | <u>57,378</u> | <u>(62,516)</u> | <u>(5,138)</u> |
| Total fund balances | <u>57,378</u> | <u>(62,516)</u> | <u>(5,138)</u> |
| Total liabilities and fund balances | \$ <u>57,378</u> | <u>1,594</u> | |

**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, therefore, are not reported in the funds | <u>1,252,494</u> |
| Net position of governmental activities | \$ <u>1,247,356</u> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2025

(See Independent Accountant's Compilation Report)

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|--|---------------------|----------------------------------|---|
| Revenues: | | | |
| Parcel fees | \$ - | 146,977 | 146,977 |
| Interest income | - | 317 | 317 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | - | 147,294 | 147,294 |
| | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | |
| General: | | | |
| Administrative expense | 4,734 | 3,707 | 8,441 |
| Accounting and audit | 5,000 | - | 5,000 |
| Insurance | 5,815 | - | 5,815 |
| Repairs and maintenance | - | 19,280 | 19,280 |
| Sheriff's collection fee | - | 8,888 | 8,888 |
| Capital outlay | - | 187,537 | 187,537 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 15,549 | 219,412 | 234,961 |
| | <hr/> | <hr/> | <hr/> |
| Other financing sources (uses): | | | |
| Transfers (to)/from other funds | 48,327 | (48,327) | - |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | 48,327 | (48,327) | - |
| | <hr/> | <hr/> | <hr/> |
| Net change in fund balances | 32,778 | (120,445) | (87,667) |
| | <hr/> | <hr/> | <hr/> |
| Fund balances, beginning of period | 24,600 | 57,929 | 82,529 |
| | <hr/> | <hr/> | <hr/> |
| Fund balances, end of period | \$ 57,378 | (62,516) | (5,138) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2025

(See Independent Accountant's Compilation Report)

| | |
|--|--------------------------------|
| Net change in fund balances - total governmental funds | \$ (87,667) |
| 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 capitalized and depreciated when applicable. This is the amount by which capital outlays exceeded depreciation in the current period. | |
| | <u>122,248</u> |
| Change in net position of governmental activities | \$ <u><u>34,581</u></u> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund**

For the Year Ended December 31, 2025

(See Independent Accountant's Compilation Report)

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------------------|-------------------------|----------------------|---|
| Revenues: | | | | |
| Other income | \$ - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| General | | | | |
| Administrative expense | 4,136 | 5,136 | 4,734 | 402 |
| Accounting and audit | 3,150 | 5,650 | 5,000 | 650 |
| Insurance | <u>6,100</u> | <u>6,100</u> | <u>5,815</u> | <u>285</u> |
| Total expenditures | <u>13,386</u> | <u>16,886</u> | <u>15,549</u> | <u>1,337</u> |
| Other: | | | | |
| Transfers (to)/from other funds | <u>-</u> | <u>-</u> | <u>48,327</u> | <u>48,327</u> |
| Net change in fund balance | (13,386) | (16,886) | 32,778 | 49,664 |
| Fund balance, beginning of period | <u>24,600</u> | <u>24,600</u> | <u>24,600</u> | <u>-</u> |
| Fund balance, end of period | \$ <u><u>11,214</u></u> | <u><u>7,714</u></u> | <u><u>57,378</u></u> | <u><u>49,664</u></u> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended December 31, 2025

Mark McCulla, Chairman of the District, received no compensation, benefits, or other payments of any kind during the year ended December 31, 2025.

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Schedule of Compensation Paid to Board Members

For the Year Ended December 31, 2025

| | | |
|-----------------------|-----------|-------------|
| Mark McCulla | \$ | - |
| Wayne Durr | | - |
| Brink Grush | | - |
| Michael Theard | | - |
| Jeff McKee | | - |
| | | <hr/> |
| Total | \$ | - |
| | | <hr/> <hr/> |

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Schedule of Findings and Management Corrective Action Plan

For the Year Ended December 31, 2025

There were no findings for the year ended December 31, 2025.

**SUB-DRAINAGE DISTRICT NO. 2 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended December 31, 2025

Not applicable.