

**GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY**

Bayou Vista, Louisiana

Financial Statements

Year Ended September 30, 2019

## TABLE OF CONTENTS

	Page
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of net position	5
Statement of activities	6
Fund Financial Statements	
Governmental fund:	
Balance sheet	8-9
Statement of revenues, expenditures, and changes in fund balance	10-11
Notes to basic financial statements	12-17
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - general fund	19
Notes to budgetary comparison schedule	20
REQUIREMENTS OF THE <i>LOUISIANA GOVERNMENTAL AUDIT GUIDE</i>	
Independent accountant's report on applying agreed upon procedures	22-24
Summary schedule of prior findings	25
Schedule of findings	26
Corrective action plan for current findings	27
Louisiana attestation questionnaire	Exhibit A

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners  
Gravity Sub-Drainage District No. 1 of Gravity  
Drainage District No. 2 of the Parish of St. Mary  
Bayou Vista, Louisiana

### Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Gravity Sub-Drainage District No. 1 of Gravity Drainage District No. 2 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 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 of the District. 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 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 American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require a budgetary comparison schedule 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The budgetary comparison schedule on pages 19 and 20 is the responsibility of management. The schedule was not audited, reviewed, or compiled by us, and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management 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 financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Morgan City, Louisiana  
June 1, 2020

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Statement of Net Position  
September 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 698,402
Interest-bearing deposits, at cost	44,734
Refundable deposits	50
Prepaid expenses	<u>13,976</u>
Total current assets	757,162
Noncurrent assets:	
Capital assets not being depreciated	50,582
Capital assets, net of accumulated depreciation	<u>778,182</u>
Total noncurrent assets	828,764
 Total assets	 <u>1,585,926</u>
LIABILITIES	
Current liabilities:	
Accounts payable	8,482
Accrued liabilities	<u>1,326</u>
 Total liabilities	 <u>9,808</u>
NET POSITION	
Net investment in capital assets	828,764
Unrestricted	<u>747,354</u>
 Total net position	 <u>\$ 1,576,118</u>

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

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Statement of Activities  
Year Ended September 30, 2019

	<u>Governmental Activities</u>
Expenses:	
Drainage works	\$ <u>365,770</u>
General Revenues:	
Ad valorem taxes	280,493
Intergovernmental	19,326
Interest income	4,525
Miscellaneous	<u>2,115</u>
Total general revenues	<u>306,459</u>
Change in net position	(59,311)
Net position, beginning	<u>1,635,429</u>
Net position, ending	<u>\$ 1,576,118</u>

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



## **FUND FINANCIAL STATEMENTS**

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Balance Sheet  
Governmental Fund  
September 30, 2019

	<u>General Fund</u>
 ASSETS	
Cash	\$ 698,402
Interest-bearing deposits, at cost	44,734
Refundable deposits	50
Prepaid expenditures	<u>13,976</u>
 Total assets	 <u>\$ 757,162</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 8,482
Accrued liabilities	<u>1,326</u>
 Total liabilities	 <u>9,808</u>
 Fund balance:	
Nonspendable - prepaid expenditures	13,976
Unassigned	<u>733,378</u>
 Total fund balance	 <u>747,354</u>
 Total liabilities and fund balance	 <u>\$ 757,162</u>

(continued)

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Balance Sheet (continued)  
Governmental Fund  
September 30, 2019

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position:

Total fund balances for governmental funds at September 30, 2019	\$ 747,354
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets, net of accumulated depreciation	<u>828,764</u>
Total net position for governmental activities at September 30, 2019	<u>\$ 1,576,118</u>

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

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
Year Ended September 30, 2019

	<u>General Fund</u>
Revenues:	
Taxes	\$ 280,493
Intergovernmental	19,326
Interest income	4,525
Miscellaneous	<u>2,115</u>
Total revenues	<u>306,459</u>
Expenditures:	
Drainage works -	
Advertising	1,019
Electrical	12,490
Insurance	60,608
Professional fees	18,485
Maintenance and repairs	53,939
Miscellaneous	191
Diesel fuel for pumps	7,228
Office supplies	327
Payroll tax expense	8,426
Pension deductions from ad valorem taxes	9,614
Per diem - board	3,185
Salaries and wages	94,600
Supplies	2,648
Truck	2,590
Telephone	4,782
Capital Outlay	<u>54,582</u>
Total expenditures	<u>334,714</u>
Net change in fund balance	(28,255)
Fund balance, beginning	<u>775,609</u>
Fund balance, ending	<u>\$ 747,354</u>

(continued)

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)  
Governmental Fund  
Year Ended September 30, 2019

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

Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances-governmental funds	\$ (28,255)
Cost of capital assets	54,582
Depreciation	<u>(85,638)</u>
Change in net position of governmental activities	<u>\$ (59,311)</u>

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

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The Gravity Sub-Drainage District No. 1 of Gravity Drainage District No. 2 (the District), which is a component unit of the Parish of St. Mary, was created by Ordinance No. 623 on July 24, 1957. The purpose of the District is the draining and reclaiming of the undrained or partially drained marsh, swamp, and overflowed lands in the area specified in its creation ordinance.

A. Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the District's executive and legislative branches (the Board of Commissioners). Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The District is a component unit of the Parish of St. Mary.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Both the government-wide and the fund financial statements categorize primary activities as governmental.

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 clearly identifiable with a specific function or segment. Taxes and items not properly included among program revenues are reported as general revenues.

A separate financial statement is provided for the governmental fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are earned.

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 as soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Basic Financial Statements (continued)

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

The District has the following fund type:

Governmental Fund -

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the District:

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.

D. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market. The interest-bearing deposits are time deposits, which are fully secured through the pledge of bank-owned securities or the Federal Deposit Insurance Corporation (FDIC) insurance coverages.

E. Capital Assets

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 \$1,000 or more for capitalizing assets.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings, pump stations, infrastructure, and improvements	25-40 years
Equipment, pumps, and engines	5-15 years

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Basic Financial Statements (continued)

F. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in three components

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists 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.
- c. Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Fund balance for the District’s governmental fund is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. 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.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be established, modified, or rescinded only through formal actions by the Board of Commissioners.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Under the District’s policy, only the Board of Commissioners may assign amounts for specific purposes.
5. Unassigned - amounts that are available for any purpose.

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,



GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Basic Financial Statements (continued)

the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners have provided otherwise in its commitment or assignment actions.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results may differ from those estimates.

(2) Cash and Interest-Bearing Deposits

The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2019, the District has cash and interest-bearing deposits (book balances) totaling \$743,136 as follows:

Demand deposits	\$ 698,402
Time deposits	<u>44,734</u>
Total	<u>\$ 743,136</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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. At September 30, 2019, deposit balances (bank balances) totaling \$744,106 are secured as follows:

Federal deposit insurance	\$ 294,734
Uninsured and collateralized with securities	<u>449,372</u>
Total	<u>\$ 744,106</u>

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 the District will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. Deposits in the amount of \$449,372 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.

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Basic Financial Statements (continued)

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property within the District's taxing area as of January 1 of each year. Taxes are levied by the District in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The St. Mary Parish Sheriff bills and collects the District's property taxes using the assessed values determined by the tax assessor of St. Mary Parish. District property tax revenues are budgeted in the year billed.

For the year ended September 30, 2019, the District's taxes were levied at the rate of 12.99 mills. Total ad valorem taxes levied were \$292,715. There were no taxes receivable at September 30, 2019.

(4) Changes in Capital Assets

A summary of capital assets activity for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 50,582	\$ -	\$ 50,582
Capital assets, being depreciated				
Buildings, pump stations, infrastructure, and improvements	816,425	-	-	816,425
Equipment, pumps and engines	<u>718,722</u>	<u>4,000</u>	<u>-</u>	<u>722,722</u>
Total capital assets	<u>1,535,147</u>	<u>54,582</u>	<u>-</u>	<u>1,589,730</u>
Less: accumulated depreciation				
Buildings, pump stations, infrastructure, and improvements	182,491	33,174	-	215,666
Equipment, pumps and engines	<u>492,835</u>	<u>52,464</u>	<u>-</u>	<u>545,299</u>
Total accumulated depreciation	<u>675,326</u>	<u>85,638</u>	<u>-</u>	<u>760,965</u>
Net capital assets	<u>\$ 859,821</u>	<u>\$ (31,056)</u>	<u>\$ -</u>	<u>\$ 828,764</u>

Depreciation expense in the amount of \$85,638 was charged to drainage works.

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Basic Financial Statements (continued)

(5) Compensation Paid to Board Members

For the year ended September 30, 2019, the following individuals served on the Board of Commissioners and received per diem allowance as follows:

Donald Lantz	780
Wayne Cantrell	780
Harris Soileau, Sr.	390
Hilary Acosta	780
Javon Charles	455
Total	<u>\$ 3,185</u>

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District's chief officer. The District's chief officer was Wayne Cantrell for the period October 1, 2018 through September 30, 2019 and received \$780 in per diem payments during this period.

(6) Retirement Commitments

All employees of the District participate in the Social Security System. The District and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the District and by the employee). The District's contribution during the year ended September 30, 2019 amounted to \$8,426.

(7) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The District is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2019. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

General Fund  
Budgetary Comparison Schedule  
Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes - ad valorem	\$ 253,400	\$ 280,400	\$ 280,493	\$ 93
Intergovernmental	19,800	19,400	19,326	(74)
Interest income	1,300	4,000	4,525	525
Miscellaneous	<u>3,100</u>	<u>2,200</u>	<u>2,115</u>	<u>(85)</u>
Total revenues	<u>277,600</u>	<u>306,000</u>	<u>306,459</u>	<u>459</u>
Expenditures:				
Drainage works -				
Advertising	1,500	1,000	1,019	(19)
Electrical	12,000	12,000	12,490	(490)
Insurance	67,000	65,000	60,608	4,392
Professional fees	48,000	62,000	18,485	43,515
Maintenance and repairs	60,000	70,000	53,939	16,061
Miscellaneous	600	600	189	411
Diesel fuel for pumps	1,000	8,000	7,228	772
Office supplies	1,100	1,000	327	673
Payroll taxes	9,000	7,000	8,426	(1,426)
Pension deductions from ad valorem taxes	8,700	10,000	9,614	386
Per diem - board	3,600	3,500	3,185	315
Salaries and wages	112,000	95,000	94,600	400
Supplies	6,800	6,800	2,648	4,152
Truck	3,400	3,400	2,590	810
Telephone	4,500	4,500	4,782	(282)
Capital outlay	<u>50,000</u>	<u>-</u>	<u>54,582</u>	<u>(54,582)</u>
Total expenditures	<u>389,200</u>	<u>349,800</u>	<u>334,712</u>	<u>15,088</u>
Net change in fund balance	(111,600)	(43,800)	(28,253)	15,547
Fund balance, beginning	<u>776,245</u>	<u>775,608</u>	<u>775,609</u>	<u>1</u>
Fund balance, ending	<u>\$ 664,645</u>	<u>\$ 731,808</u>	<u>\$ 747,356</u>	<u>\$ 15,548</u>

*See accompanying notes to budgetary comparison schedule.*

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Notes to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District.

(2) Budgetary Practices

Annually, the District adopts a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Formal budgetary integration is employed as a management control device during the year. The budget is prepared on the modified accrual basis. All budgetary appropriations lapse at the end of each fiscal year.

**REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE***

# KOLDER, SLAVEN & COMPANY, LLC

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

### Board of Commissioners

Gravity Sub-Drainage District No. 1 of Gravity Drainage District No. 2 of the Parish of St. Mary, and  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Gravity Sub-Drainage District No. 1 of Gravity Drainage District No. 2 of the Parish of St. Mary (hereinafter "District") and the Louisiana Legislative Auditor (LLA), on the District's compliance with certain laws and regulations included in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the year ended September 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The 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 attestation standards established by the American Institute of Certified Public Accountants and the provisions of *Government Auditing Standards* applicable to attestation engagements. The sufficiency of these procedures is solely the responsibility of the District and the LLA. 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.

The procedures and associated exceptions, if any, are as follows:

### Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

*No expenditures for materials and supplies were made during the year that exceeded \$30,000, nor were there any expenditures for public works made during the year that exceeded \$154,450.*

### 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 LSA-RS 42:1101-1124 (the ethics law).

*Management provided us with the required list.*

3. Obtain from management a listing of all employees paid during the period under examination.

*Management provided us with the required list.*



4. Determine and report whether any of those employees included in the listing obtained from management were also included on the listing obtained from management as immediate family members in step (2).

*None of the employees included on the list of employees provided by management [agreed upon procedure (3)] appeared on the list provided by management in agreed-upon procedures (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 any vendors appear on both lists.

*Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.*

### **Budgeting**

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

*Management provided us with a copy of the original budget and related amendments.*

7. Trace the budget adoption and approval of any amendments to the minute book. Report whether there were any exceptions.

*Adoption of budget and all amendments traced to action by Board of Commissioners in the minutes book.*

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budget revenues by five percent (5%) or more or if actual expenditures exceeded budgeted amounts by five percent (5%) or more.

*Actual revenues did not fail to meet budgeted amounts by five percent (5%) or more and actual expenditures did not exceed budgeted amounts by more than five percent (5%) or more.*

### **Accounting and Reporting**

9. Randomly select six (6) disbursements made during the period under examination and:

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

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

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

*We traced the selected disbursements to their respective general ledger postings and determined that all were properly coded to the correct fund and general ledger account.*

- (c) determine whether payments were approved in accordance with management's policies and procedures.

*We inspected the disbursement for the proper approval and determined that the District had properly approved all disbursements in accordance with their policies and procedures.*

### **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.

*We examined evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required.*

### **Debt**

11. Obtain and scan bank deposit slips for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness. If any of the circumstances exist, obtain from management evidence of approval by the State Board of Commission, and report any exceptions.

*We obtained and inspected copies of all bank deposit slips for the year ended September 30, 2019 and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.*

### **Advances and Bonuses**

12. Examine payroll records and meeting minutes of the governing board for the year to determine whether any payments have been made, or were approved to be made, to employees which may constitute bonuses, advances, or gifts.

*We inspected payroll records for the year and noted no instances which would indicate payments to employees that may constitute bonuses, advances, or gifts.*

### **State Audit Law**

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The District provided for a timely report in accordance with R.S. 24:513.*

14. Inquire of management and report whether the agency entered 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).

*The District did not enter into any contracts utilizing state funds as defined in R.S. 39:72.1 A. (2) during the current fiscal year that were subject to public bid law (R.S. 38:2211, et seq.), while not complying with R.S. 24:513 (the audit law).*

### **Prior Comments and Recommendations**

15. 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 March 29, 2019, did not include any comments or unresolved matters with regard to the foregoing agreed upon procedures.*

We were not engaged to perform, and did not conduct, an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to describe the scope of testing performed on the District's compliance with certain laws and regulations included in the accompanying Louisiana Attestation Questionnaire, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the District's management and the LLA and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose 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 LLA as a public document.

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

Morgan City, Louisiana  
June 1, 2020

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Summary Schedule of Prior Findings  
Year Ended September 30, 2019

2018-001 - Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of findings, item 2019-001.

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Schedule of Findings  
Year Ended September 30, 2019

Findings reported in accordance with *Government Auditing Standards*

A. Internal Control

2019-001 - Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: *Internal control* is a process – effected by those charged with governance, management, and any other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness, efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

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.

YEAR INITIALLY OCCURRING: Unknown.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties for the District.

B. Compliance

No findings are reported under this section.

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF  
GRAVITY DRAINAGE DISTRICT NO. 2  
OF THE PARISH OF ST. MARY  
Bayou Vista, Louisiana

Corrective Action Plan for Current Findings  
Year Ended September 30, 2019

2019-001 - Segregation of Duties:

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Not considered necessary.

**LOUISIANA ATTESTATION QUESTIONNAIRE**

**Exhibit A**

GRAVITY SUB-DRAINAGE DISTRICT NO. 1 OF GRAVITY DRAINAGE DISTRICT NO. 2

PARISH OF ST. MARY

Louisiana Attestation Questionnaire

Year Ended September 30, 2019

Kolder, Slaven & Company, LLC, CPAs  
Post Office Box 3438  
Morgan City, Louisiana

In connection with your review of our financial statements as of September 30, 2019 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. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the date noted on the last page of this questionnaire.

**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 ☐

#### 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 ☐

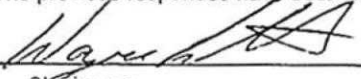
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period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

  
Chairman

  
Secretary