

**GRAVITY DRAINAGE DISTRICT NO. 1  
OF RAPIDES PARISH  
Alexandria, Louisiana**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORTS**

**December 31, 2019**

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## GRAVITY DRAINAGE DISTRICT NO. 1 OF RAPIDES PARISH

### Management's Discussion and Analysis December 31, 2019

This section of the annual financial report presents our discussion and analysis of the Gravity Drainage District's financial performance during the fiscal year ended December 31, 2019, with comparable information for the previous year.

### OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Gravity Drainage District's financial position and results of operations from differing perspectives which are described as follows:

#### Government-Wide Financial Statements

The government-wide financial statements report information about the Gravity Drainage District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Gravity Drainage District's assets and all of the Gravity Drainage District's liabilities. All of the Gravity Drainage District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by Ad valorem taxes and state revenue sharing.

#### Fund Financial Statements

Fund financial statements provide detailed information regarding the Gravity Drainage District's most significant activities and are not intended to provide information for the Gravity Drainage District as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Gravity Drainage District's funds are governmental and fiduciary funds. These funds are used to account for essentially the same functions that are reported in the government-wide financial statements. However, unlike government-wide financial statements, the funds use a modified accrual basis of accounting that provides a short-term view of the Gravity Drainage District's finances. Assets reported by the funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

An analysis of the government-wide Statement of net position is presented as follows:

	December 31, 2019	December 31, 2018
<b>Assets:</b>		
Current and Other Assets	\$ 1,607,194	\$ 1,469,408
Total Assets	<u>\$ 1,607,194</u>	<u>\$ 1,469,408</u>
<b>Liabilities:</b>		
Current and Other Liabilities	\$ 2,227	\$ 89,490
Total Liabilities	<u>\$ 2,227</u>	<u>\$ 89,490</u>
<b>Net position:</b>		
Unrestricted / Undesignated	1,604,968	1,379,918
	<u>\$ 1,604,968</u>	<u>\$ 1,379,918</u>

## GRAVITY DRAINAGE DISTRICT NO. 1 OF RAPIDES PARISH

### Management's Discussion and Analysis December 31, 2019

As the presentation appearing above demonstrates, 100% of the Gravity Drainage District's net position is unrestricted for future use. Net position invested in capital assets consist of property and equipment less any debts used to acquire the assets that remains outstanding. The Gravity Drainage District uses these capital assets to provide services related to the Gravity Drainage District's activities; consequently, this amount is not available for future spending.

An analysis of the government-wide Statement of Activities is presented as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
<b>Revenues:</b>		
Ad Valorem Taxes	\$ 306,193	\$ 281,592
State Revenue Sharing and Interest	23,820	19,203
Other Revenues	-	1,500
Total Revenues	<u>\$ 330,013</u>	<u>\$ 302,295</u>
<b>Program Expenses:</b>		
Gravity Drainage District Services	\$ 104,964	\$ 503,177
Depreciation Expense	-	130,695
Total Program Expenses	<u>\$ 104,964</u>	<u>\$ 633,872</u>
Change in net position	\$ 225,049	\$ (331,577)
Net position-Beginning	1,379,918	1,711,494
Net position-Ending	<u>\$ 1,604,967</u>	<u>\$ 1,379,917</u>

As the accompanying presentation demonstrates, the Gravity Drainage District's operations have increased net position by 16%.

### FINANCIAL ANALYSIS OF THE MARSHALL'S FUNDS

For the year ended December 31, 2019 net position increased by \$ 225,049. The primary reason is due to an increase in revenues while there was a large decrease in decrease for the year, and the deduction for depreciation expense.

### BUDGET HIGHLIGHTS

State law requires that a budget be adopted for the general fund. For the year ended December 31, 2019, the budget was adopted based on December 31, 2018 activity and anticipated revenues and expenses for December 31, 2019.

### CAPITAL ASSET ADMINISTRATION

For the year ended December 31, 2019, there was no change in capital asset activity.

### FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

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## INDEPENDENT AUDITOR'S REPORT

Gravity Drainage District No. 1 of Rapides Parish  
Alexandria, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of Gravity Drainage District ( a governmental entity ) as of and for the year ended December 31, 2019, and the related notes to the financial statements. These financial statements collectively comprise the Gravity Drainage District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

The Gravity Drainage District is responsible for the presentation 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 of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also involves evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gravity Drainage District as of December 31, 2019, and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

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

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 15, 2020 on my consideration of the District's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance and should be read in conjunction with this report in considering the results of my audit.



Paul Dauzat  
Certified Public Accountant  
March 15, 2020

## GOVERNMENT WIDE FINANCIAL STATEMENTS

Gravity Drainage District No. 1  
of Rapides Parish  
Alexandria, La.  
**Government Wide Statement of Net Position**

**December 31, 2019**

	<b>General Fund</b>
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$ 1,336,768
Receivables	<u>270,426</u>
 Total Current Assets	 <u>1,607,194</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	1,733
Payroll Taxes Payable	<u>494</u>
 Total Current Liabilities	 <u>2,227</u>
 <b>Net Position</b>	
Unrestricted	<u>1,604,967</u>
 Total Net Position	 <u><u>\$ 1,604,967</u></u>

The accompanying notes are an integral part of this statement.



Gravity Drainage District No. 1  
of Rapides Parish  
Alexandria, La.

**GOVERNMENT WIDE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31,2019**

					Net (Expenses) Revenue and Increases (Decreases) in Net
					Net (Expenses) Revenue and Increases (Decreases) in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>					
General Government	\$ 104,963	\$ -	\$ -	\$ -	\$ 104,963
Total Governmental Activities	\$ 104,963	\$ -	\$ -	\$ -	104,963
General Revenues:					
Ad Valorem Taxes					306,193
State Revenue Sharing					6,271
Interest Income					17,548
Total General Revenues					330,012
Increase (Decrease) in Net Position					225,049
Net Position - Beginning of the year					1,379,918
Net Position - End of the year					\$ 1,604,967

The accompanying notes are an integral part of this statement

Gravity Drainage District No. 1  
Rapides Parish  
Alexandria, La.

Reconciliation Of The Balance Sheet-Governmental Fund  
To The Statement Of Net Position

December 31, 2019

Total fund balance-governmental fund ( fund financial statement ) \$ 1,604,967

Amounts reported for governmental activities in the statement of net position  
( government-wide financial statements ) are different because:

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

Cost of Assets	\$ 8,720,885	
Accumulated Depreciation	<u>\$(8,720,885)</u>	<u>\$ -</u>

Total net position of governmental activities ( government-wide financial  
statements ) \$ 1,604,967

The accompanying notes are an integral part of this statement

## **FUND FINANCIAL STATEMENTS**

Gravity Drainage District No. 1  
of Rapides Parish  
Alexandria, La.

Balance Sheet  
Governmental Fund

December 31, 2019

	<u>General Fund</u>
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$ 1,336,768
Receivables	<u>270,426</u>
Total Current Assets	<u>1,607,194</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	1,733
Payroll Taxes Payable	<u>494</u>
Total Current Liabilities	<u>2,227</u>
<b>Fund Balance</b>	
Unassigned	<u>1,604,967</u>
Total Liabilities and Fund Balance	<u>\$ 1,607,194</u>

The accompanying notes are an integral part of this statement.

**Gravity Drainage District No. 1  
of Rapides Parish  
Alexandria, La.**

**Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended December 31, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Ad Valorem Tax	\$ 306,193
State Revenue Sharing	6,271
Interest Earnings	<u>17,548</u>
Total Revenues	<u>330,012</u>
<b>Expenditures</b>	
Current:	
Personnel	11,820
Payroll Taxes	242
Advertising	1,375
Professional Fees	50,998
Insurance	2,049
Repairs & Maintenance	28,944
Retirement Contribution	9,275
Office Expense	<u>260</u>
Total Expenditures	<u>104,963</u>
<b>Excess (deficiency) of revenues over expenditures</b>	  225,049
<b>Fund Balance, Beginning of Year</b>	<u>1,379,918</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 1,604,967</u></u>

The accompanying notes are an integral part of this statement

**Gravity Drainage District No. 1  
Alexandria, La.**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of  
Governmental Fund to the Statement of Activities  
For the Year Ended December 31, 2019**

Net Increase (Decrease) in fund balance - total governmental fund	\$ 225,049
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.

Increase (Decrease) of net position of governmental activities	<u>\$ 225,049</u>
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The accompanying notes are an integral part of this statement.

**Gravity Drainage District No. 1  
of Rapides Parish**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Basis Of Presentation:***

The accompanying financial statements of the Gravity Drainage District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

***Reporting Entity:***

As the governing authority of the parish, for reporting purposes, the Rapides Parish Police Jury is the financial reporting entity for Rapides Parish. The financial reporting entity consists of the (a) the primary government ( police jury ), (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 Board ( GASB ) Statement No. 14 established criteria for determining which component units should be considered part of the Rapides Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The criteria includes:

- 1 Appointing a voting majority of an organization's governing body.
- 2 Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- 3 Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on criteria 1 through 3, the District was determined to be a component unit of the Rapides Parish Police Jury, 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 police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

**Gravity Drainage District No. 1  
of Rapides Parish**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2019**

***Fund Accounting:***

The Gravity Drainage District's Office uses funds and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. In this financial statement, funds are classified into a governmental fund.

Each category, in turn, is divided into separate "fund types." The fund classifications and a description of each existing fund type follows:

Governmental funds are used to account for all or most a government's general activities, including the collection and distribution of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities or the general government not accounted for in some other fund. The general fund is the only governmental fund necessary for the Gravity Drainage District's Office.

***Measurement Focus/Basis Of Accounting:***

***Fund Financial Statements (FFS):***

The amounts reflected are accounted for using a current financial resources measurement focus. Only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of fund operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon thereafter to pay liabilities of the current period. The fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:



**Gravity Drainage District No. 1  
of Rapides Parish**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2019**

***Other Financing Sources (Uses):***

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

***Budgets:***

Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments. Appropriations lapse at year-end.

***Cash Equivalents:***

Cash included amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

***Capital Assets:***

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or described other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Gravity Drainage District maintains a threshold level of \$5000 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, consisting solely of infrastructure ( drainage canals and ditches ), are fully depreciated at December 31, 2019.

**NOTE 2 CASH AND CASH EQUIVALENTS**

Under the state law, the Gravity Drainage District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Gravity Drainage District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Gravity Drainage District No. 1  
of Rapides Parish**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2019**

At December 31, 2019, time deposits (investments with an original maturity date of 90 days or less) totaled \$ 875,000.

These deposits are stated at costs, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All deposits were insured by the FDIC.

**NOTE 3 RECEIVABLES**

Receivables at December 31, 2019, are as follows:

Ad Valorem Tax	\$ 269,633
Accrued Interest	793
	<u>\$ 270,426</u>

**NOTE 4 CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2019, are as follows:

<u>Governmental Activities</u>	<u>Balance Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2019</u>
Infrastructure	\$ 8,720,885	\$ -	\$ -	\$8,720,885
Total	<u>\$ 8,720,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,720,885</u>
Less accumulated depreciation:				
Infrastructure	\$ 8,720,885	\$ -	\$ -	\$8,720,885
Total	<u>\$ 8,720,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,720,885</u>
Capital Assets, net	<u>\$ -</u>			<u>\$ -</u>

**NOTE 5 RISK MANAGEMENT**

The Gravity Drainage District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Gravity Drainage District carries commercial insurance for all risks and settled claims did not exceed commercial coverage for any of the past three fiscal years.

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34**

**Gravity Drainage District No. 1  
of Rapides Parish  
Alexandria, Louisiana**

**Budgetary Comparison Schedule-General Fund  
For The Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Ad Valorem Tax	\$ 289,479	\$ 289,479	\$ 306,193	\$ 16,714
State Revenue Sharing	7,000	7,000	6,271	(729)
Interest Earnings	2,000	2,000	17,548	15,548
Total Revenues	<u>298,479</u>	<u>298,479</u>	<u>330,012</u>	<u>15,985</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	14,210	14,210	12,062	2,148
Advertising	2,000	2,000	1,375	625
Professional Fees	158,000	158,000	50,998	107,002
Insurance	2,500	2,500	2,049	451
Repairs & Maint	245,000	245,000	28,944	216,056
Retirement	11,000	11,000	9,275	1,725
Office Expense	250	250	260	(10)
Total Expenditures	<u>432,960</u>	<u>432,960</u>	<u>104,963</u>	<u>327,997</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(134,481)</u>	<u>(134,481)</u>	<u>225,049</u>	<u>359,530</u>
<b>FUND BALANCE</b>				
Beginning of Year	1,379,918	1,379,918	1,379,918	-
End of Year	<u>\$ 1,245,437</u>	<u>\$ 1,245,437</u>	<u>\$ 1,604,967</u>	<u>\$ 359,530</u>

The accompanying notes are an integral part of this statement.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

Gravity Drainage District No. 1 of Rapides Parish  
Alexandria, Louisiana

I have audited the financial statements of Gravity Drainage District as of and for the year ended December 31, 2019, and the related notes to the financial statements and have issued my report thereon dated March 15, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Gravity Drainage District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gravity Drainage District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Gravity Drainage District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Gravity Drainage District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Gravity Drainage District, others within the entity, and government entities and is not intended to be and should not be used by anyone other than these specified parties.

### **Purpose of This Report**

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



Paul Dauzat  
Certified Public Accountant  
March 15, 2020

**GRAVITY DRAINAGE DISTRICT NO. 1 OF RAPIDES PARISH**  
**SCHEDULE OF FINDINGS**

For The Year Ended December 31, 2019

I have audited the financial statements of Gravity Drainage District as of and for the year ended December 31, 2019, and have issued my report thereon dated March 15, 2020. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2019, resulted in an unqualified opinion.

**Section 1-Summary of Auditor's Reports**

Report on Internal Control and Compliance Material to the Financial Statements

**Internal Control:**

Material Weaknesses ☐ Yes ☒ No      Significant Deficiency ☐ Yes ☒ No

**Compliance:**

Non Compliance Material to Financial Statements ☐ Yes ☒ No

**Section 11-Financial Statement Findings**

There were no financial statement findings.



**GRAVITY DRAINAGE DISTRICT NO. 1 OF RAPIDES PARISH**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
For The Year Ended December 31, 2019

There were no prior year findings for the year ended December 31, 2018.

***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer***

**Year Ended June 30, 2019**

**Agency Head Name: John Bradas, President**

<b>Purpose</b>	<b>Amount</b>
Salary	\$1,320
Police Jury	None
City Court	None
State Supplemental	None
Benefits-Insurance	None
Benefits-Retirement	None
Accrued Leave	None
Car Allowance	None
Vehicle Provided By Government	None
Per Diem	None
Reimbursements	None
Travel	None
Registration Fees	None
Conference Travel	None
Continuing Professional Education Fees	None
Housing	None
Unvouchered Expenses	None
Special Meals	None

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

To: John Bradas, President  
Gravity Drainage District No. 1  
of Rapides Parish

I have performed the procedures enumerated below, which were agreed to by Gravity Drainage District No. 1 and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation 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, I 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 results are presented in the accompanying Schedule of Procedures, Results and Managements' response where applicable.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Paul Dauzat, CPA  
Alexandria, Louisiana  
March 15, 2020

**GRAVITY DRAINAGE DISTRICT NO. 1**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONSE**  
**For The Year Ended December 31, 2019**

WRITTEN POLICIES AND PROCEDURES		
Agreed-Upon Procedure	Results	Managements' Response
Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions:	Reviewed the entity's written policies and procedures and ascertained that they addressed the following:	
* Budgeting	no	Follow the Local Government Budget Act
* Purchasing	yes	
* Disbursements	yes	
* Receipts	no	We are still in the process
* Payroll/Personnel	no	of developing written
* Contracting	no	policies.
* Credit Cards	n/a	
* Travel and expense reimbursements	n/a	In process
* Ethics	no	
* Debt	n/a	We will develop a plan
* Disaster Recovery/Business Continuity	no	

**GRAVITY DRAINAGE DISTRICT NO. 1**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONSE**  
**For The Year Ended December 31, 2019**

**Collections**

Agreed-Upon Procedure	Results	Managements' Response
<p>Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.</p> <p>Using the list provided by management, select a minimum of five (5) or all if less than 5 cash locations and obtain written documentation and report whether:</p> <p>a) Each person responsible for collecting cash is:</p> <p>* bonded</p> <p>* not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account.</p> <p>* not required to share the same cash register or drawer with another employee.</p> <p>b) The entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.</p>	<p>Obtained a listing of all cash locations and representation that the list was complete.</p> <p>Selected all cash locations which consisted of 1. Cash collections only consist of checks received at a Post Office Box.</p> <p>yes</p> <p>no</p> <p>n/a</p> <p>no</p>	<p>Office personnel consist of only one person</p>

**GRAVITY DRAINAGE DISTRICT NO. 1**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONSE**  
**For The Year Ended December 31, 2019**

Collections		
Agreed-Upon Procedure	Results	Managements' Response
<p>c) Select the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:</p> <p>* Report whether the deposits were made within one day of collection.</p> <p>* Verify that daily cash collections are completely supported by documentation.</p> <p>Obtain existing written documentation and report whether the entity has a process specifically defined to determine completeness of all collections by a person who is not responsible for collections.</p>	<p>Selected highest dollar week of collections</p> <p>no</p> <p>n/a</p> <p>no</p>	<p>Deposits are made on a weekly basis</p> <p>Office personnel consist of only one person</p>

**GRAVITY DRAINAGE DISTRICT NO. 1**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONSE**  
**For The Year Ended December 31, 2019**

Disbursements-General		
Agreed-Upon Procedure	Results	Managements' Response
Obtain a listing of entity disbursements from management.	Obtained list of disbursements from disbursements journal.	
Using the disbursements population from above, randomly select 25 disbursements excluding credit card/debit card/fuel card purchases or payments. Obtain supporting documentation ( e.g. purchase requisitions, system screen logs for each transaction and report whether the supporting documentation for each transaction demonstrated that:	Selected 25 disbursements.	
a) Purchases were initiating using requisition/ purchase order system.	no	Purchases are very minimal
b) Purchase orders were approved by a person who did not initiate the purchase.	yes	Purchases are approved by the board that meets semi-monthly
c) Payments for purchases were not processed without:		
* An approved requisition and/or purchase order	no	
* A receiving report showing receipt of goods purchased.	no	The only receipt of goods are minimal office supplies
* An approved invoice.	yes	
Using entity documentation report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursements system.	no	We do not have adequate personnel.

**GRAVITY DRAINAGE DISTRICT NO. 1**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONSE**  
**For The Year Ended December 31, 2019**

Disbursements-General		
Agreed-Upon Procedure	Results	Managements' Response
Using entity documentation report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.	no	
Inquire of management and observe whether the supply of unused checks or blank check stock is maintained in a locked location, with access restricted to those persons that do not have signatory authority.	yes	
	yes	
If a signature stamp or signature machine is used, inquire of the signer whether his or her signature and any signed checks are maintained under his or her control or is used only with the knowledge and consent of the signer.	Signature stamp is not used	