GRAVITY DRAINAGE DISTRICT NO. 2
OF RAPIDES PARISH
Alexandria, Louisiana

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORTS

December 31, 2025

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT 1

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENTS:

Statement of Net Position 5

Statement of Activities 6

Reconciliation of The Balance Sheet to The Statement of Net Position 7

FUND FINANCIAL STATEMENTS:

Balance Sheet-Governmental Fund 9

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance 10

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities 11

NOTES TO THE FINANCIAL STATEMENTS 12

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

Budgetary Comparison Schedule - General Fund 19

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

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 21

SCHEDULE OF AUDIT FINDINGS 23

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 24

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER 25

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES 26

SCHEDULE OF PROCEDURES, RESULTS AND MANAGEMENTS' RESPONSE 27

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Paul Dauzat CPA, LLC

P.O. Box 12359
Alexandria, La. 71315

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Gravity Drainage District No. 2 of Rapides Parish
Alexandria, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and major fund of Gravity Drainage District No. 2 of Rapides parish (a governmental entity) as of and for the year ended December 31, 2025, 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Gravity Drainage District No. 2 as of December 31, 2025, 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.

Basis for Opinions

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of Gravity Drainage District No. 2 and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

The Gravity Drainage District's 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gravity Drainage District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

Office (318) 443-3977
Fax (318) 445-2017

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I :

Exercise professional judgement and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriated in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal Control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Statements of Revenue, Expenditures and Changes in Fund Balances (Budget and Actual) 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. 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 my 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.

Management has omitted Managements' Discussion and Analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, 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. My opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

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 June 12, 2025 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 and 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated June 12, 2025, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards.* The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Paul Dauzat CPA, LLC

Paul Dauzat

By: Paul Dauzat
Certified Public Accountant
June 12, 2026

GOVERNMENT WIDE FINANCIAL STATEMENTS

Gravity Drainage District No. 2
of Rapides Parish
Alexandria, La.
Government Wide Statement of Net Position

December 31, 2025

	General Fund
Assets	
Current Assets	
Cash and Cash Equivalents	$ 427,087
Investments (LAMP)	794,998
Receivables	1,129,220
Total Current Assets	2,351,305
Property and Equipment	
Equipment (net of accumulated depreciation)	892,015
Total Assets	$ 3,243,320
Liabilities	
Current Liabilities	
Payroll Taxes Payable	$ 6,499
Accrued Payables	80,717
Accounts Payable	7,798
Compensated Absences	8,765
Total Current Liabilities	103,779
Total Liabilities	103,779
Net Position	
Invested in Capital Assets (net of debt)	892,015
Unrestricted	2,247,526
Total Net Position	$ 3,139,541

Gravity Drainage District No. 2
of Rapides Parish
Alexandria, La.

GOVERNMENT WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31,2025

	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue
Governmental Activities:					
General Government	$ 804,661	$ -	$ -	$ -	$ 804,661
Depreciation Expense	76,233	-	-	-	76,233
Total Governmental Activities	$ 880,894	$ -	$ -	$ -	880,894

General Revenues:	
Ad Valorem Taxes	1,185,517
Miscellaneous	5,106
Interest Income	71,119
Total General Revenues	1,261,742
Increase (Decrease) in Net Position	380,848
Net Position - Beginning of the year	2,785,105
Prior Period Adjustment	(26,412)
Net Position - End of the year	$ 3,139,541

The accompanying notes are an integral part of this statement

Gravity Drainage District No. 2
Rapides Parish
Alexandria, La.

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

December 31, 2025

Total fund balance-governmental fund (fund financial statement)		$ 2,247,526
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	1,028,867	
Accumulated Depreciation & Amortization	$ (136,852)	892,015
Total net position of governmental activities (government-wide financial statements)		$ 3,139,541

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS

Gravity Drainage District No. 2
of Rapides Parish
Alexandria, La.

Balance Sheet
Governmental Fund

December 31, 2025

	General Fund
Assets	
Current Assets	
Cash and Cash Equivalents	$ 427,087
Investments (LAMP)	794,998
Receivables	1,129,220
Total Current Assets	$ 2,351,305
Liabilities	
Current Liabilities	
Payroll Taxes Payable	$ 6,499
Accrued Payables	80,717
Accounts Payable	7,798
Compensated Absences	8,765
Total Current Liabilities	103,779
Fund Balance	
Unassigned	2,247,526
Total Liabilities and Fund Balance	$ 2,351,305

The accompanying notes are an integral part of this statement.

Gravity Drainage District No. 2
of Rapides Parish
Alexandria, La.

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2025

	General Fund
Revenues	
Ad Valorem Tax	$ 1,185,517
Miscellaneous	$ 5,106
Interest Earnings	71,119
Total Revenues	1,261,742
Expenditures	
Current:	
Personnel	192,492
Advertising	2,114
Professional and Contract Services	216,593
Insurance	33,237
Repairs and Maintenance	203,191
Retirement	43,866
Office Expense	47,447
Vehicle Expense	65,721
Capital Outlays	402,536
Total Expenditures	1,207,197
Excess (deficiency) of revenues over expenditures	54,545
Fund Balance, Beginning of Year	2,219,393
Prior Period Adjustment	(26,412)
Fund Balance, End of Year	$ 2,247,526

The accompanying notes are an integral part of this statement

Gravity Drainage District No. 2
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, 2025

Net Increase (Decrease) in fund balance - total governmental fund	$	54,545
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 amortization and depreciation expense. This is the amount by which capital outlays exceeds depreciation and amortization expense.		326,303
Increase (Decrease) of net position of governmental activities	$	380,848

The accompanying notes are an integral part of this statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies and practices of the Gravity Drainage District No. 2.

Basis Of Presentation:

The accompanying financial statements of Gravity Drainage District No. 2 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.

The Rapides Parish Police Jury created the Gravity Drainage District No. 2 in 2018 and subsequently, the District called an election of the District for ad-valorem tax millage on December 8, 2018 to authorize a levy of a special tax. The special tax call passed with a levy of ten (10) mills on all property subject to taxation within the District for a teb (10) year period beginning in the year 2019 and ending with the year 2028 for the purpose of acquiring, constructing, improving, maintaining and operationg gravity drainage and other flood prevention works permitted by law.

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.

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:

Government Wide Financial Statements (GWFS)

The government wide financial statements, " Statement of Net Position" and "Statement of Activities", report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which primarily rely on fees and charges for support. Gravity Drainage District No. 2 does not have any internal service, fiduciary or business-type funds.

The government wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements.Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.This approach differs from the manner in which governmental fund financial statements are prepared.Therefore, governmental fund financial statements include reconciliations with explanations to identify the relationship between the government wide and governmental funds.

The Statement of Acitivies presents a comparison between direct expenses and program revenues for each function of the District's governmental acivities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities. The Statements of Activities reports the expenses of a given function offset by program revneues directly connected with the functional program.

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:

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 the final amendment. Appropriations lapse at year-end. Budgets for governmental funds are adopted annualy on the modified accrual basis of accounting. The District exercises budgetary control at the functional level. The District does not utilize encumbrance accounting in its budget process.

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. Capital asset lives range from 5 to 15 years.

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. At December 31, 2025, the District had pledged securities to protect amounts that exceeded FDIC insurance limits. The book value of the pledged securities was $ 1,751,775 and the market value was $ 1,625,936.

NOTE 3 LEVIED TAXES

The Sheriff of Rapides Parish, as provided by State law, is the official tax collector of general property taxes levied by the Rapides Parish Police Jury. The taxes are remitted to Gravity Drainage District No. 2 as collected by the Rapides Parish Sheriff. The 2025 property tax calendar was as follows:

Millage rates adopted	June, 2025
Levey date	June, 2025
Tax bills mailed	November, 2025
Due date	December 31, 2025
Delinquent date	January 1, 2026

NOTE 4 RECEIVABLES

Receivables at December 31, 2025, are as follows:

Ad Valorem Tax	$	1,129,220
	$	1,129,220

Revenue is considered available if it is collected within 60 days of year end.

NOTE 5 CAPITAL ASSETS

Capital assets and amortization activity as of and for the year ended December 31, 2025, are as follows:

Governmental Activities	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
Debt Issuance Costs	$ 11,194	$ -	$ -	$11,194
Equipment	615,136	402,537	$ -	1,017,673
Total	$ 626,330	$ 402,537	$ -	$1,028,867
Less Accumulated Amortization:				
Debt Issuance Costs	$ 11,194	$ -	$ -	$11,194
Equipment	49,426	76,232	$ -	125,658
Total	$ 60,620	$ 76,232	$ -	$136,852
Capital Assets, net	$ 565,710			$892,015

NOTE 6 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.

NOTE 7 ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 8 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 12, 2026, which is the date the financial statements were available to be issued. There were no disclosure requirements.

NOTE 9 BOARD OF COMMISSIONERS COMPENSATION

	Total
Ronnie Venson	$ 3,300
Peter Dekeyzer	1,900
Emile Williams	2,800
John Dekeyzer	2,300
Michael Norwood	2,350
	$ 12,650

NOTE 10 DEFICIT FUND BALANCE

The District had no deficit fund balances at December 31, 2025.

NOTE 11 RETIREMENT SYSTEM

Gravity Drainage District No. 2 contributes to the State of Louisiana Employees Retirement System. Contributions are deducted from tax revenues remitted and due to the District on an annual basis. The total contribution for 2025 was $ 43,866.

NOTE 12 INVESTMENTS

The District deposited excess cash funds into the Louisiana Asset Management Pool (LAMP). LAMP operates under Louisiana law as a cooperative endeavor to assist local Louisiana governmental entities in the investment of cash balances. The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return through investments in obligations issued by the U.S. government, its agencies and instrumentalities and in repurchase agreements collateralized by those investments. LAMP is administered by a Louisiana not-for-profit corporation, Louisiana Asset Management Pool, Inc., which is governed by a board elected by the pool's participants each year.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

Gravity Drainage District No. 2
of Rapides Parish
Alexandria, Louisiana

Budgetary Comparison Schedule-General Fund
For The Year Ended December 31, 2025

	Budgeted Amounts		Variance-Original Budget and Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			
REVENUES					
Ad Valorem Tax	$ 1,159,524	$ 1,159,524	$ -	$ 1,185,517	$ 25,993
Miscellaneous	-	-	-	5,106	5,106
Interest Earnings	45,000	45,000	-	71,119	26,119
Total Revenues	1,204,524	1,204,524	-	1,261,742	25,993
EXPENDITURES					
Current:					
Personnel	217,700	217,700	-	192,492	25,208
Advertising	4,000	4,000	-	2,114	1,886
Professional Fees and Contract Services	342,500	342,500	-	216,593	125,907
Insurance	35,000	35,000	-	33,237	1,763
Repairs and Maintenance	398,770	398,770	-	203,191	195,579
Retirement	44,400	44,400	-	43,866	534
Office Expense	48,500	50,500	2,000	47,447	3,053
Vehicle Expense	84,400	84,400	-	65,721	18,679
Capital Outlays	406,700	406,700	-	402,536	4,164
Total Expenditures	1,581,970	1,583,970	2,000	1,207,197	376,773
Excess (Deficiency) of Revenues Over Expenditures	(377,446)	(379,446)	(2,000)	54,545	433,991
FUND BALANCE					
Beginning of Year	2,219,393	2,219,393	-	2,219,393	-
Prior Period Adjustment	-	-		(26,412)	(26,412)
End of Year	$ 1,841,947	$ 1,839,947	$ (2,000)	$ 2,247,526	$ 407,579

Note to Budgetary Comparison Schedule
Final budgets were identical to original amounts and no revisions were necessary with the exception of office expense.
Differences between actual amounts and the final budget amounts are favorable. Based on these results, operations were conducted in a manner that emphasized conforming with budgetary constraints.

The accompanying notes and auditor's report are an integral part of this statement

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Paul Dauzat CPA, LLC

P.O. Box 12359
Alexandria, La. 71315

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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. 2 of Rapides Parish
Alexandria, Louisiana

I have audited the financial statements of Gravity Drainage District No. 2 as of and for the year ended December 31, 2025, and the related notes to the financial statements and have issued my report thereon dated June 12, 2025. 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.

Report on 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.

Office (318) 443-3977
Fax (318) 445-2017

Report on 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*.

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.

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.

Paul Dauzat

By: Paul Dauzat
Certified Public Accountant
June 12, 2026

GRAVITY DRAINAGE DISTRICT NO. 1 OF RAPIDES PARISH
SCHEDULE OF FINDINGS
For The Year Ended December 31, 2025

I have audited the financial statements of Gravity Drainage District No. 2 as of and for the year ended December 31, 2025, and have issued my report thereon dated June 12, 2025. 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, 2025, resulted in an unmodified opinion.

Section 1-Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses [ ] Yes [X] No   Significant Deficiency [ ] Yes [X] No

Compliance:

Non Compliance Material to Financial Statements [ ] Yes [X] No

Section 11-Financial Statement Findings

There were no financial statement findings.

SCHEDULE OF PRIOR YEAR FINDINGS

For The Year Ended December 31, 2025

There were no prior year findings for the year ended December 31, 2024.

GRAVITY DRAINAGE DISTRICT NO. 2 OF RAPIDES PARISH

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

Year Ended December 31, 2025

Agency Head Name: Ronnie Venson, President

Purpose	Amount
Salary	$3,300
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

See Independent Auditor's Report

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Paul Dauzat CPA, LLC

P.O. Box 12359
Alexandria, La. 71315

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Ronnie Venson, President
Gravity Drainage District No. 2
of Rapides Parish

I have performed the procedures attached, which were agreed to by Gravity Drainage District No. 2 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, 2025 through December 31, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Gravity Drainage District No. 2 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and , as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' response where applicable.

I was engaged by Gravity Drainage District No. 2 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, 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.

I am required to be independent of Gravity Drainage District No. 2 and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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

By: Paul Dauzat, CPA
Alexandria, Louisiana
June 12, 2026

Office (318) 443-3977
Fax (318) 445-2017

WRITTEN POLICIES AND PROCEDURES		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
1 Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions:		
* Budgeting	No	
* Purchasing	No	
* Disbursements	No	
* Receipts/Collections	No	
* Payroll/Personnel	No	
* Contracting	No	
* Credit Cards	N/A	
* Travel and expense reimbursements	N/A	
* Ethics	No	
* Debt	N/A	
* Disaster Recovery/Business Continuity	No	
* Sexual Harassment	No	

Board (or Finance Committee)		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
2 Obtain and review the board/committee minutes for the fiscal period, and:	Obtained board minutes for the period	
a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation.	No	
b) Report whether the minutes reference or included monthly budget to actual comparisons on the general fund and any funds identified as major funds in the entity prior audit (GAAP basis).	No	
c) For Governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance, observe that the minutes for at least one meeting during the period referenced or included a formal plan to eliminate the negative unassigned fund balance.	N/A	

GRAVITY DRAINAGE DISTRICT NO. 2
STATEWIDE AGREED-UPON PROCEDURES
SCHEDULE OF PROCEDURES, RESULTS AND MANAGEMENTS' RESPONE
For The Year Ended December 31, 2025

Bank Reconciliations

Agreed-Upon Procedure	Exceptions Found	Managements' Response
3 Obtain a listing of client bank accounts from management and management's representation that listing is complete. Identify the main operating account.	Obtained listing and representation that includes one (1) account.	
Using the listing provided by management select the main operating account and a minimum of four (4) additional accounts or all if less than four (4) and report whether:	Selected the main operating account.	
a) Bank reconciliations have been prepared. within 2 months of the related statement closing date.	No	
b) Bank reconciliations include evidence that a member of management or a board member who does not handle cash or issue checks has reviewed each bank reconciliation.	Yes	In the future we will obtain a board member review and initial the bank reconciliation.
c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.	N/A	

Collections		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
4 Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.	Obtained listing and representation which included one (1) location.	
5 Using the list provided by management, select a minimum of five (5) or all if less than 5 cash locations and obtain written documentation of job duties and /or inquire of employees about their job duties and observe that job duties are properly segregated.	Selected 1 location	
a) Employees responsible for cash collections do not share cash drawers/registers.	N/A	
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits unless another employee/official is responsible for reconciling collection documentation to the deposit.	N/A	
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger unless another employee/ official is responsible for reconciling ledger postings to each other and to the deposit.	N/A	
d) The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash unless another employee/official verifies the reconciliation.	N/A	
6 Obtain a copy of the bond or insurance policy for theft covering all employees who have access to cash and determine that the policy was in force during the period.	No	

Collections		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
7 Select (2) deposit dates for each of the bank accounts selected for procedure #3 above and obtain supporting documentation for each of the deposits and:	Selected 2 deposit dates from the main operating account	
a) observe that receipts are sequentially pre-numbered.	Yes	Pre-numbered receipts are not used. Deposits are infrequent and deposit slips are used.
b) Trace pre-numbered receipts, reports and other collection documentation to deposit slip.	No	
c) Trace the deposit slip total to the actual deposit per the bank statement.	No	
d) Observe the deposit was made within 1 business day of receipt or 1 week if the deposit is less than $100 and stored in a locked safe or drawer.	Yes	All deposits are made weekly
e) Trace the actual deposit per the bank statement to the general ledger.	No	

Non-Payroll Disbursements-General

Agreed-Upon Procedure	Exceptions Found	Managements' Response
8 Obtain a listing of entity disbursements locations from management and representation that listing is complete.	Obtained listing and representation	
9 For each location above obtain a listing of employees involved with non-payroll purchasing and payment function. Obtain documentation of employee job duties and/or inquire of employees about their job duties and that:	Obtained listing of employees with job titles/duties	
a) At least 2 employees are involved in initiating a purchase request, approving a purchase and placing an order.	No	
b) At least 2 employees are involved in processing and approving payments to vendors.	Yes	All payments are approved by a board member.
c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes.	Yes	Most disbursements are for contracted repairs and maintenance approved by the board.
d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.	Yes	Limited staff All checks require a board member signature and are approved at board meetings.
10 For each location selected under #8 above, obtain the non-payroll disbursement transaction population and obtain representation that the population is complete. Select 5 disbursements for each location and obtain supporting documentation for each transaction and:	Selected 5 disbursements from 1 location	
a) Observe whether the disbursement matched the related original itemized invoice it indicates deliverables were received.	No	

Non-Payroll Disbursements-General		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
b) Observe whether disbursement documentation included evidence of segregation of duties tested under #9 above.	Yes	All disbursements are prepared and presented at board meetings for signatures and approval before mailing

Credit Cards/Debit Cards/Fuel Cards		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
11 Obtain from management a listing of all active credit cards, bank debit cards and fuel cards including card numbers and the names of persons who maintained possession of the cards.	No credit cards, bank cards or fuel cards	
12 Not Applicable		
13 Not Applicable		

Travel and Expense Reimbursement		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
14 Obtain from management a listing of all travel and related expense reimbursements and representation that listing is complete.	No Travel and Travel Related Expense Reimbursements.	

Contracts

Agreed-Upon Procedure	Exceptions Found	Managements' Response
15 Obtain a listing of all contracts in effect during the fiscal period that were initiated or renewed and representation that the list is complete. Select 5 contracts or all if less than 5 and:	Obtained listing and representation Selected 5 contracts	
a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required.	N/A	Maintenance and repair contracts for gravity drainage districts are exempt from public bid-Act 269
b) Observe whether the contract was approved by the governing body, if required by policy or law.	No	
c) If the contract was amended, observe the original contract terms provided for such an amendment and that amendments were mad in compliance with the contract terms.	No	
d) Select 1 payment for each contract, obtain supporting invoice, agree the invoice to the contract terms and report compliance with the terms of the contract.	No	

Payroll and Personnel

Agreed-Upon Procedure	Exceptions Found	Managements' Response
16 Obtain a listing of employees (elected officials, if applicable) with their related salaries, and obtain management's representation that the list is complete. Randomly select 5 employees/officials, obtain their personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	Obtained listing and representation Selected 5 employees/officials	Officials are paid per-diem rates approved by the board for board attendance Employees are paid salaries set and approved by the board
17 Select 1 pay period during the fiscal year. For the employees/officials selected above, obtain attendance records and leave documentation for the pay period and:		
a) Observe employees documented their daily attendance and leave.	No	
b) Observe whether supervisors approved the attendance and leave of the employee or official.	No	Approved by board
c) Observe any leave accrued or taken during the pay period is reflected in the cumulative leave records.	No	
d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.	No	

Payroll and Personnel		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
18 Obtain a listing of employees or officials that received termination payments during the year and representation that listing is complete. Select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculation and the termination policy. Agree the hours to the cumulative leave records, agree the pay rates to the authorized pay rates in the personnel files, and agree the termination payment to the policy.	N/A	
19 Obtain representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed by required deadlines.	No	

Ethics		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
20 Using the five randomly selected employees/officials, from #16 above obtain ethics compliance documentation from management and:		
a) Observe whether the documentation demonstrates each employee/official completed 1 hour of ethics training during the fiscal period.	Yes	8 of 9 Employees/Officials completed training.
b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.	N/A	No changes

Debt Service

Agreed-Upon Procedure	Exceptions Found	Managements' Response
21 Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and representation that the listing is complete. Select all debt instruments, obtain supporting documentation, and observe State Bond commission approval was obtained.	N/A	
22 Not Applicable		

Fraud Notice

	Exceptions Found	
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and representation that listing is complete. Select all misappropriations, obtain supporting documentation, and observe that the entity reported the misappropriations to the Legislative Auditor and the District Attorney of the parish is which the entity is domiciled.	No misappropriations, fraud, waste, or abuse of public funds reported.	
24 Observe the entity has posted, on it's premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	No	

Information Technology Disaster Recovery/Business Continuity

Agreed-Upon Procedure		Managements' Response
25 Perform the following procedures, verbally discuss the results with management.		
a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data and observe that such backup occurred within the past week. If backups are stored on a physical medium, observe evidence that backups are encrypted before being transported.	I performed the procedure and discussed the results with management.	
b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored and observe evidence that the test/verification was successfully performed within the past 3 months.	I performed the procedure and discussed the results with management.	
c) Obtain a listing of the entity's computers currently in use and their related locations and representation that the listing is complete. Select 5 computers or all if less than 5, and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.	I performed the procedure and discussed the results with management.	

Sexual Harassment		
Agreed-Upon Procedure	**Exceptions Found**	**Managements' Response**
26 Using the selected employees/officials from #16 above, obtain sexual harassment training documentation and observe the documentation demonstrates each employee/official completed at least 1 hour of sexual harassment training during the calendar year.	Yes	8 of 9 employees/officials completed sexual harassment training.
27 Observe the entity has posted its sexual harassment policy and complaint procedure on its website or in a conspicuous location on premises.	No	
28 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R. S. 42;344:	No	
a) Number and percentage of public servants in the agency who have completed the training requirements.	8 88.9%	
b) Number of sexual harassment complaints received by the agency.	None	
c) Number of complaints which resulted in a finding that sexual harassment occurred.	None	
d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.	None	
e) Amount of time it took to resolve each complaint.	N/A	