

GRAVITY DRAINAGE DISTRICT NO. 5
OF CAMERON PARISH
GRAND CHENIER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' COMPLIATION REPORT

Year Ended December 31, 2025

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June 17, 2026

Board of Commissioners
Gravity Drainage District No. 5 of Cameron Parish
Grand Chenier, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and major fund of the Gravity Drainage District No. 5 of Cameron Parish, a component unit of the Cameron Parish Policy Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Account and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the following supplemental information be presented to supplement the basic financial statements:

Budgetary Comparison Schedule

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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplemental information was subject to our compilation engagement. We have not audited or reviewed the information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Board of Commissioners
Gravity Drainage District No. 5 of Cameron Parish
Grand Chenier, Louisiana
June 17, 2026
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The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Report on Summarized Comparative Information

We have previously compiled the District's December 31, 2024 financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the financial statements from which it has been derived.

Other Information

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head or chief executive officer is presented for purposes of additional analysis and is not required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Dragan, Cassidy: Shillory

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Statement of Net Position

December 31, 2025

ASSETS	
Cash	\$ 1,368,785
Receivables	
Ad valorem taxes, net	146,720
Intergovernmental - FEMA	<u>81,044</u>
Total assets	<u>1,596,549</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	<u>1,217</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Net position - Unrestricted	<u><u>\$ 1,595,332</u></u>

The accompanying notes and independent accountants' compilation report are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Balance Sheet - Governmental Fund

December 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 1,368,785	\$ 1,259,517
Receivable - ad valorem taxes, net	146,720	151,089
Receivable - FEMA	81,044	81,044
Total Current Assets	<u>1,596,549</u>	<u>1,491,650</u>
 TOTAL ASSETS	 <u>\$ 1,596,549</u>	 <u>\$ 1,491,650</u>
 LIABILITIES		
Accounts payable	\$ 1,217	\$ -
Total Current Liabilities	<u>1,217</u>	<u>-</u>
 FUND BALANCES		
Assigned	30,000	30,000
Unassigned	1,565,332	1,461,650
Total Fund Balances	<u>1,595,332</u>	<u>1,491,650</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,596,549</u>	 <u>\$ 1,491,650</u>

The accompanying notes and independent accountants' compilation report are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

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

December 31, 2025

Total fund balance for governmental fund at December 31, 2025	\$ 1,595,332
Total net position reported for governmental activities in the Statement of Net Position is different because:	<u>-</u>
Total net position of governmental activities at December 31, 2025	<u><u>\$ 1,595,332</u></u>

The accompanying notes and independent accountants' compilation report are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

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

Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
REVENUES		
Ad valorem taxes (net)	152,824	\$ 153,360
Interest	34,244	23,041
Reimbursements	-	14,602
Other	-	550
TOTAL REVENUES	<u>187,068</u>	<u>191,553</u>
EXPENDITURES		
General Government		
Advertising	58	504
Insurance	100	100
Maintenance	68,951	73,176
Office expense	20	1,943
Travel	-	-
Professional fees	14,257	12,349
Capital outlay	-	-
TOTAL EXPENDITURES	<u>83,386</u>	<u>88,072</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	103,682	103,481
FUND BALANCE - BEGINNING	<u>1,491,650</u>	<u>1,388,169</u>
FUND BALANCE - ENDING	<u><u>\$ 1,595,332</u></u>	<u><u>\$ 1,491,650</u></u>

The accompanying notes and independent accountants' compilation report are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

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

Year Ended December 31, 2025

Total net changes in fund balance at December 31, 2025 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 103,682
The change in net position reported for governmental activities in the in the Statement of Activities is different because:	<u>-</u>
Total changes in net position at December 31, 2025 per Statement of Activities	<u>\$ 103,682</u>

The accompanying notes and independent accountants' compilation report are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gravity Drainage District No. 5 of Cameron Parish was created on September 9, 1962, as a political subdivision of the State of Louisiana under the provisions of Louisiana Revised Statutes 38:1751-1802, and was established for the purpose of opening and maintaining all natural drains in the District where drainage is accomplished using the natural force of gravity. The District is governed by a board of 5 commissioners who are appointed by the Cameron Parish Police Jury. The commissioners do not receive compensation for serving on the board.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Gravity Drainage District No. 5 of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the Gravity District No. 5 of Cameron Parish.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Based upon the application of these criteria, Gravity Drainage District No. 5 of Cameron Parish is a component unit of the Cameron Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the 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 basic 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.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District has one fund, the General Fund, which is therefore considered its major fund.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash

The cash and cash equivalents of the District are subject to the following risks.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. 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 financial agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statue 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the District diversifies its investments by security type and institution.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates of time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2025, the District had \$1,375,100 in deposits (collected bank balances), \$1,250,000 of which was secured from risk by federal deposit insurance and \$125,100 of which was unsecured.

5. Accounts Receivable

Uncollectible amounts due for other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Budgets

A budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

7. Equity Classification

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Net position – restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Net position - unrestricted – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

8. Use of Estimates

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

9. Subsequent Events

Management has evaluated subsequent events through June 17, 2026, the date the financial statements were available for issue.

10. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of charges in the District's financial position and operations.

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2025, taxes were levied on taxable assessed valuations of \$23,886,858 at a millage of 6.45.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE C – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Notes to Financial Statements

December 31, 2025

NOTE D – CONTINGENCIES

Accounts receivable of \$81,044 at December 31, 2025 represents the amounts due from FEMA on project expenditures paid through December 31, 2025.

NOTE E – ASSIGNED FUND BALANCE

In 2015, the District assigned \$30,000 of fund balance for the mitigation of the Big Burn Spillway project.

REQUIRED SUPPLEMENTAL INFORMATION

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Ad valorem taxes (net)	\$ 162,515	\$ 152,824	\$ (9,691)
Reimbursements	-	-	-
Interest	15,000	34,244	19,244
Other	-	-	-
TOTAL REVENUES	<u>177,515</u>	<u>187,068</u>	<u>9,553</u>
EXPENDITURES			
General Government			
Advertising	525	58	467
Insurance	1,200	100	1,100
Maintenance	312,000	68,951	243,049
Office expense	850	20	830
Travel	-	-	-
Professional fees	15,500	14,257	1,243
Capital outlay	-	-	-
TOTAL EXPENDITURES	<u>330,075</u>	<u>83,386</u>	<u>246,689</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(152,560)	103,682	256,242
FUND BALANCE - BEGINNING	<u>1,491,650</u>	<u>1,491,650</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 1,339,090</u></u>	<u><u>\$ 1,595,332</u></u>	<u><u>\$ 256,242</u></u>

See independent accountants' compilation report.

OTHER INFORMATION

GRAVITY DRAINAGE DISTRICT NO. 5 OF CAMERON PARISH
Grand Chenier, Louisiana

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2025

Chief Executive Officer: Phillip Trosclair, Board President

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

See independent accountants' compilation report.