

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9  
HACKBERRY, LOUISIANA

ANNUAL FINANCIAL REPORT AND INDEPENDENT  
AUDITORS' REPORT

Year Ended December 31, 2025

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## INDEPENDENT AUDITORS' REPORT

June 22, 2026

Board of Directors  
Cameron Parish Gravity Drainage District No. 9  
Hackberry, Louisiana

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Cameron Parish Gravity Drainage District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Cameron Parish Gravity Drainage District No. 9 as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable of financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cameron Parish Gravity Drainage District No. 9 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Cameron Parish Gravity Drainage District No. 9'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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our 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 our 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. 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, is representations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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*, we:

- 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.
- Obtaining an understanding of internal control relevant to the audit 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 Cameron Parish Gravity Drainage District No. 9'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 our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cameron Parish Gravity Drainage District No. 9's ability to continue as a going concern for a reasonable period of time.

We are 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 control-related matters that we identified during the audit.

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer but does not include basic financial statements and other auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, or responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our reports.

Cameron Parish Gravity Drainage District No. 9

June 22, 2026

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### **Report on Summarized Comparative Information**

We have previously audited Cameron Parish Gravity Drainage District No. 9's December 31, 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 17, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026, on our consideration of Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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.

*Shagren, Cassidy: Shillory*

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

## Statement of Net Position

December 31, 2025

|                                           |                     |
|-------------------------------------------|---------------------|
| <b>ASSETS</b>                             |                     |
| Cash                                      | \$ 1,446,074        |
| Receivables                               | 483,596             |
| Net pension asset                         | 8,484               |
| Capital assets, net                       | 128,042             |
| Total assets                              | <u>2,066,196</u>    |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b> |                     |
|                                           | <u>22,695</u>       |
| <br><b>LIABILITIES</b>                    |                     |
| Accounts payables                         | 29,021              |
| Accrued liabilities                       | 10,303              |
| Net OPEB obligation                       | 31,479              |
| Total liabilities                         | <u>70,803</u>       |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |
|                                           | <u>21,868</u>       |
| <br><b>NET POSITION</b>                   |                     |
| Net investment in capital assets          | 128,042             |
| Unrestricted                              | 1,868,178           |
|                                           | <u>\$ 1,996,220</u> |

The accompanying notes are an integral part of these financial statements.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Statement of Activities

Year Ended December 31, 2025

| <u>Activities</u>        | <u>Expenses</u> | <u>Program Revenues</u>         |                                             | <u>Net Revenues (Expenses) and<br/>Changes in Net Assets<br/>Governmental<br/>Activities</u> |
|--------------------------|-----------------|---------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------|
|                          |                 | <u>Charges for<br/>Services</u> | <u>Capital Grants<br/>and Contributions</u> |                                                                                              |
| Governmental Activities: |                 |                                 |                                             |                                                                                              |
| General government       | \$ 421,242      | \$ -                            | \$ -                                        | \$ (421,242)                                                                                 |
|                          |                 | General Revenues:               |                                             |                                                                                              |
|                          |                 | Property taxes, net             |                                             | 538,327                                                                                      |
|                          |                 | Interest                        |                                             | 51,764                                                                                       |
|                          |                 | Total General Revenues          |                                             | <u>590,091</u>                                                                               |
|                          |                 | Change in Net Position          |                                             | <u>168,849</u>                                                                               |
|                          |                 | Net Position, beginning         |                                             | 1,838,543                                                                                    |
|                          |                 | Prior period adjustment         |                                             | <u>(11,172)</u>                                                                              |
|                          |                 | Net Position, beginning         |                                             | <u>1,827,371</u>                                                                             |
|                          |                 | Net Position, ending            |                                             | <u><u>\$ 1,996,220</u></u>                                                                   |

The accompanying notes are an integral part of these financial statements.

## FUND FINANCIAL STATEMENTS

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

## Balance Sheet - Governmental Fund

December 31, 2025

|                                                                       | <u>2025</u>                | <u>2024</u>                |
|-----------------------------------------------------------------------|----------------------------|----------------------------|
| ASSETS                                                                |                            |                            |
| Cash                                                                  | \$ 1,446,074               | \$ 1,207,385               |
| Receivables                                                           |                            |                            |
| Ad valorem taxes (net)                                                | <u>483,596</u>             | <u>527,976</u>             |
| Total assets                                                          | <u>1,929,670</u>           | <u>1,735,361</u>           |
| DEFERRED OUTFLOWS OF RESOURCES                                        | <u>-</u>                   | <u>-</u>                   |
| TOTAL ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES                    | <u><u>\$ 1,929,670</u></u> | <u><u>\$ 1,735,361</u></u> |
| LIABILITIES                                                           |                            |                            |
| Accounts payable                                                      | <u>\$ 29,021</u>           | <u>\$ 12,289</u>           |
| Total liabilities                                                     | <u>29,021</u>              | <u>12,289</u>              |
| DEFERRED INFLOWS OF RESOURCES                                         | <u>-</u>                   | <u>-</u>                   |
| FUND BALANCES                                                         |                            |                            |
| Unassigned                                                            | <u>1,900,559</u>           | <u>1,723,072</u>           |
| Total fund balances                                                   | <u>1,900,559</u>           | <u>1,723,072</u>           |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES AND FUND BALANCES | <u><u>\$ 1,929,580</u></u> | <u><u>\$ 1,735,361</u></u> |

The accompanying notes are an integral part of these financial statements.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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                                                                                      |               | \$ 1,900,649        |
| Total net position reported for governmental activities in the statement of net position is different because:                                     |               |                     |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: |               |                     |
| Capital assets, net of \$143,569 accumulated depreciation                                                                                          |               | 128,042             |
| Deferred outflows and inflows for pension resources are not financial resources or currently payable:                                              |               |                     |
| Deferred inflows related to pensions                                                                                                               | \$ (6,242)    |                     |
| Deferred outflows related to pensions                                                                                                              | <u>13,740</u> | 7,498               |
| Deferred outflows and inflows for OPEB resources are not financial resources or currently payable:                                                 |               |                     |
| Deferred inflows related to OPEB                                                                                                                   | (15,626)      |                     |
| Deferred outflows related to OPEB                                                                                                                  | <u>8,955</u>  | (6,671)             |
| Accrued Compensated Absences                                                                                                                       |               | (10,303)            |
| Long-term debt which is not included as a liability in the governmental fund type balance sheet:                                                   |               |                     |
| Net OPEB obligation                                                                                                                                | (31,479)      |                     |
| Net pension asset (liability)                                                                                                                      | <u>8,484</u>  | <u>(22,995)</u>     |
| Total net position of governmental activities at December 31, 2025                                                                                 |               | <u>\$ 1,996,220</u> |

The accompanying notes are an integral part of these financial statements.

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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

Year Ended December 31, 2025

|                                                      | 2025         | 2024         |
|------------------------------------------------------|--------------|--------------|
| REVENUES                                             |              |              |
| Ad valorem taxes - net                               | \$ 538,327   | \$ 579,884   |
| Intergovernmental - FEMA                             | -            | 41,870       |
| Interest                                             | 51,764       | 37,859       |
| TOTAL REVENUES                                       | 590,091      | 659,613      |
| EXPENDITURES                                         |              |              |
| General Government                                   |              |              |
| Advertising                                          | 380          | 657          |
| Chemicals                                            | 12,708       | 7,736        |
| Contract Labor                                       | -            | 13,936       |
| Equipment Rental                                     | 50,927       | 21,721       |
| Equipment Repair                                     | 13,163       | 12,319       |
| Fuel                                                 | 13,144       | 5,798        |
| Insurance                                            | 4,592        | 4,412        |
| Health Insurance                                     | 35,115       | 30,677       |
| Office Expense                                       | 420          | 1,987        |
| Payroll & Related                                    | 97,298       | 67,946       |
| Per diem                                             | 7,900        | 9,100        |
| Professional fees                                    | 84,430       | 63,409       |
| Repairs and maintenance                              | 73,094       | 55,755       |
| Retirement                                           | 8,416        | 7,094        |
| Supplies                                             | 5,997        | 11,215       |
| Utilities                                            | 1,780        | 1,675        |
| Capital Outlay                                       | 3,150        | 63,282       |
| TOTAL EXPENDITURES                                   | 412,514      | 378,719      |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 177,577      | 280,894      |
| FUND BALANCE - BEGINNING                             | 1,723,072    | 1,442,178    |
| FUND BALANCE - ENDING                                | \$ 1,900,649 | \$ 1,723,072 |

The accompanying notes are an integral part of these financial statements.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

## 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<br>per Statement of Revenues, Expenditures and Changes in<br>Fund Balance | \$ 177,577 |
|----------------------------------------------------------------------------------------------------------------------------------|------------|

The change in net position reported for governmental activities  
in the statement of activities different because:

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense.

|                                                                                                                           |                 |         |
|---------------------------------------------------------------------------------------------------------------------------|-----------------|---------|
| Capital outlay which is considered expenditures on the Statement<br>of Revenues, Expenditures and Changes in Fund Balance | \$ 3,150        |         |
| Depreciation expense for the year ended December 31, 2025                                                                 | <u>(11,077)</u> | (7,927) |

|                                                                                                                                                                                                           |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Compensated absences not paid from current year resources<br>are not reported as expenditures of the current year. In the<br>Statement of Activities, these costs represent current year<br>expenditures. | 987 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

Net pension expense is reported in the governmental funds as  
expenditures as they are paid, however, in the statement of  
activities the net position expense is reported according to  
estimates required by GASB 68:

|                             |                |       |
|-----------------------------|----------------|-------|
| Pension expense paid        | 8,416          |       |
| Pension expense per GASB 68 | <u>(2,850)</u> | 5,566 |

|                                                                                                                                                                                                                                                                                          |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| In the Statement of Activities, post employment benefits are<br>measured by the amounts incurred during the year. In the<br>governmental funds, however, expenditures for this item are<br>measured by the amount of financial resources used (essentially<br>the amount actually paid). | <u>(7,354)</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|

|                                                                                   |                   |
|-----------------------------------------------------------------------------------|-------------------|
| Total changes in net position at December 31, 2025 per Statement<br>of Activities | <u>\$ 168,849</u> |
|-----------------------------------------------------------------------------------|-------------------|

The accompanying notes are an integral part of these financial statements.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Gravity Drainage District No. 9 was created by the Cameron Parish Police Jury. The District is governed by a board of five commissioners who are appointed by the Cameron Parish Police Jury. The District constructs, maintains, and improves the system of gravity drainage in the District.

The more significant of the government's accounting policies are described below.

#### 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. 64, the Recreation District No. 6 of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the District.

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.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 or significance of the relationship.

Based upon the application of these criteria, Cameron Parish Gravity Drainage District No. 9 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.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### 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, concessions, usage fees, 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.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic 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. 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 position 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.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### 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 Statute 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 Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

*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.

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

### Notes to Basic Financial Statements

December 31, 2025

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 \$1,450,974 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 by federal deposit insurance and \$1,200,974 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

#### 5. Budgets

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. 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.

The budget was not amended during 2025.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### 6. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and 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. At December 31, 2025, an allowance for bad debt was \$42,786.

#### 7. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

|                            |             |
|----------------------------|-------------|
| Buildings and improvements | 15-40 years |
| Equipment and vehicles     | 5-10 years  |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition.

#### 8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

### Notes to Basic Financial Statements

December 31, 2025

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At December 31, 2025 the District's liability for compensated absences is \$10,303.

#### 9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### 10. 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 a cumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – 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.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic 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 assigned fund balance.

#### 11. Subsequent Events

Management has evaluated subsequent events through June 22, 2026, the date the financial statements are available for issue.

#### 12. Comparative Data

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

### NOTE B - AD VALOREM TAXES

For the year ended December 31, 2025, taxes were levied on property with taxable assessed valuations as follows:

|                    | <u>General<br/>Purposes</u> |
|--------------------|-----------------------------|
| Assessed valuation | \$ 124,074,133              |
| Mileage            | 4.46                        |
| Total taxes levied | \$ 553,369                  |

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.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2025 follows:

|                                                | <u>Beginning<br/>of Year</u> | <u>Additions</u> | <u>Deletions</u> | <u>End of<br/>Year</u> |
|------------------------------------------------|------------------------------|------------------|------------------|------------------------|
| Governmental activities:                       |                              |                  |                  |                        |
| Buildings                                      | \$ 115,790                   | \$ 3,150         | \$ -             | \$ 118,940             |
| Vehicles                                       | 36,461                       | -                | -                | 36,461                 |
| Construction in progress                       | -                            | -                | -                | -                      |
| Equipment                                      | <u>116,210</u>               | <u>-</u>         | <u>-</u>         | <u>116,210</u>         |
| Totals at historical cost                      | 268,461                      | 3,150            | -                | 271,611                |
| Less accumulated depreciation                  | <u>132,492</u>               | <u>11,077</u>    | <u>-</u>         | <u>143,569</u>         |
| Governmental activities capital<br>assets, net | <u>\$ 135,969</u>            | <u>\$ 7,927</u>  | <u>\$ -</u>      | <u>\$ 128,042</u>      |

Capital asset additions consists of sewer system installation at legion street building.

### NOTE D - PER DIEM

As provided by Louisiana Revised Statute 33:4504, the board members received \$100 per diem for each regular and special meeting attended, but shall not be paid for more than twelve meetings in each year.

|                    |                 |
|--------------------|-----------------|
| Hardin, Wesley     | \$ 1,700        |
| Stansel, Bobby     | 1,700           |
| Gremillion, Gordon | 1,500           |
| Aucoin, Will       | 1,500           |
| Desormeaux, Jared  | <u>1,500</u>    |
|                    | <u>\$ 7,900</u> |

### NOTE E - 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.

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

### Notes to Basic Financial Statements

December 31, 2025

#### NOTE F – TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Cameron Parish Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2025, \$1,650,022,322 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$7,359,100 in ad valorem taxes.

#### NOTE G – COMMITMENTS AND CONTINGENCIES

None

#### NOTE H - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

##### Parochial Employees' Retirement System

The System is composed of two district plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

### Notes to Basic Financial Statements

December 31, 2025

#### NOTE H - RETIREMENT COMMITMENTS – CONTINUED

mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 11.50% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2025 totaled \$8,416.

At December 31, 2025, the District reported a liability of \$8,484 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2025, the District's proportion was .0084369%.

For the year ended December 31, 2025, the District recognized pension benefit of \$5,566 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$263. At December 31, 2025, the District reported deferred outflows of resources and deferred

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE H - RETIREMENT COMMITMENTS – CONTINUED

inflows of resources related to pension from the following sources:

|                                                        | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------------|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience      | \$ 5,178                             | \$ 738                              |
| Difference between expected and actual investment      | -                                    | 5,587                               |
| Difference between expected and actual assumption      | -                                    | -                                   |
| Changes in proportion and differences between:         |                                      |                                     |
| Contributions and proportionate share of contributions | 146                                  | (83)                                |
| Contributions subsequent to the measurement date       | 8,416                                | -                                   |
| Total                                                  | <u>\$ 13,740</u>                     | <u>\$ 6,242</u>                     |

\$8,416 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | Amount   |
|---------------------|----------|
| 2026                | \$ 8,125 |
| 2027                | 18,494   |
| 2028                | (20,703) |
| 2029                | (10,101) |
| 2030                | -        |
| Thereafter          | -        |

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE H - RETIREMENT COMMITMENTS - CONTINUED

*Actuarial methods and assumption.* The total pension liability in the December 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date                   | December 31, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Actuarial Cost Method            | Entry Age Normal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Investment Rate of Return        | 6.40% (Net of investment expense)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Expected Remaining Service Lives | 4 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Projected Salary Increases       | Plan A – 4.75                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Cost of Living Adjustments       | The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.                                                                                                                                                                                                                                      |
| Mortality                        | Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants. |

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE H - RETIREMENT COMMITMENTS – CONTINUED

Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2024 are summarized in the following table:

| Asset Class                        | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|-------------------------|--------------------------------------------------|
| Fixed income                       | 37%                     | 1.08%                                            |
| Equity                             | 47%                     | 2.82%                                            |
| Alternatives                       | 15%                     | 0.76%                                            |
| Real assets                        | 1%                      | 0.07%                                            |
| Total                              | 100%                    | 4.73%                                            |
| Inflation                          |                         | 2.40%                                            |
| Expected Arithmetic Nominal Return |                         | 7.13%                                            |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent of the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by suing a set back of

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE H - RETIREMENT COMMITMENTS – CONTINUED

standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

*Sensitivity to changes in discount rate.* The following presents the net pension liability of the District calculated using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

|                                  | Changes in Discount Rate 2025 |                        |                   |
|----------------------------------|-------------------------------|------------------------|-------------------|
|                                  | 1%                            | Current                | 1%                |
|                                  | Decrease<br>5.40%             | Discount Rate<br>6.40% | Increase<br>7.40% |
| Net Pension Liability<br>(Asset) | \$ 43,299                     | \$ (8,484)             | \$ (51,950)       |

### NOTE I – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

#### General Information about the OPEB Plan

*Plan description* – Gravity Drainage provides certain continuing health care and life insurance benefits for its retired employees. Gravity Drainage's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by Gravity Drainage. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with Gravity Drainage. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*Benefits Provided* – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A level \$20,000 amount of insurance coverage while active is continued after retirement.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE I – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - CONTINUED

*Employees covered by benefit terms* – At December 31, 2025, the following employees were covered by the benefit terms:

|                                                                          |                 |
|--------------------------------------------------------------------------|-----------------|
| Inactive employees or beneficiaries currently receiving benefit Payments | -               |
| Inactive employees entitled to but not yet receiving benefit payments    | -               |
| Active employees                                                         | <u>1</u>        |
|                                                                          | <u><u>1</u></u> |

#### **Total OPEB Liability**

Gravity Drainage's total OPEB liability of \$31,479 was measured as of December 31, 2025 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                     |
|-----------------------------|-----------------------------------------------------|
| Actuarial cost method       | Individual Entry Age Normal                         |
| Amortization method         | Level dollar, open                                  |
| Amortization period         | 30 years                                            |
| Asset valuation method      | Market value                                        |
| Inflation                   | 3.0%                                                |
| Salary increases            | 3.0%, including inflation                           |
| Discount rate               | 4.08% annually (Begging of Year to Determine ADC)   |
|                             | 4.83% annually (As of End of Year Measurement Date) |
| Healthcare cost trend rates | Getzen model, with an initial trend of 5.5%         |
| Mortality                   | Pub-2010/2021                                       |

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2025.

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE I – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - CONTINUED

#### Changes in the Total OPEB Liability

|                                                    |           |
|----------------------------------------------------|-----------|
| Balance at December 31, 2024                       | \$ 33,269 |
| Changes for the year:                              |           |
| Service cost                                       | 1,299     |
| Interest                                           | 1,630     |
| Differences between expected and actual experience | (7,370)   |
| Changes in assumptions                             | 2,651     |
| Benefit payments and net transfers                 | -         |
| Net changes                                        | (1,790)   |
| Balance at December 31, 2025                       | \$ 31,479 |

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of Gravity Drainage, as well as what Gravity Drainage's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

|                      | 1.0% Decrease<br>(3.08%) | Current<br>Discount Rate<br>(4.08%) | 1.0% Increase<br>(5.08%) |
|----------------------|--------------------------|-------------------------------------|--------------------------|
| Total OPEB liability | \$ 36,092                | \$ 31,479                           | \$ 27,649                |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of Gravity Drainage, as well as what Gravity Drainage's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

# CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

## Notes to Basic Financial Statements

December 31, 2025

### NOTE I – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - CONTINUED

|                      | 1.0% Decrease<br>(4.5%) | Current Trend<br>(5.5%) | 1.0% Increase<br>(6.5%) |
|----------------------|-------------------------|-------------------------|-------------------------|
| Total OPEB liability | \$ 30,155               | \$ 31,479               | \$ 33,178               |

### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2025, Gravity Drainage recognized OPEB expense of \$1,775. At December 31, 2025, Gravity Drainage reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                    | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 6,231                             | \$ (6,317)                       |
| Changes in assumptions                             | 2,724                                | (9,309)                          |
| Total                                              | \$ 8,955                             | \$ (15,626)                      |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Years ending December 31: |         |
|---------------------------|---------|
| 2026                      | (1,154) |
| 2027                      | (1,154) |
| 2028                      | (1,154) |
| 2029                      | (231)   |
| 2030                      | (1,444) |
| Thereafter                | (1,535) |

### NOTE J – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to net position for the implementation of GASB 101, Compensated Absences. Beginning net position was reduced by \$11,172 and beginning accrued liabilities was increased by \$11,172 to record beginning compensated absences.

## REQUIRED SUPPLEMENTAL INFORMATION

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

## Budgetary Comparison Schedule

Year Ended December 31, 2025

|                                                      | AMENDED      | ACTUAL       | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|------------------------------------------------------|--------------|--------------|----------------------------------------|
| REVENUES                                             |              |              |                                        |
| Ad valorem taxes - net                               | \$ 525,000   | \$ 538,327   | \$ 13,327                              |
| Interest                                             | 20,000       | 51,764       | 31,764                                 |
| TOTAL REVENUES                                       | 545,000      | 590,091      | 45,091                                 |
| EXPENDITURES                                         |              |              |                                        |
| General Government                                   |              |              |                                        |
| Advertising                                          | 400          | 380          | 20                                     |
| Chemicals                                            | 6,000        | 12,708       | (6,708)                                |
| Equipment Repair                                     | 24,000       | 13,163       | 10,837                                 |
| Equipment Rental                                     | 50,000       | 50,927       | (927)                                  |
| Fuel                                                 | 13,200       | 13,144       | 56                                     |
| Insurance                                            | 5,100        | 4,592        | 508                                    |
| Health Insurance                                     | -            | 35,115       | (35,115)                               |
| Office Expense                                       | 1,900        | 420          | 1,480                                  |
| Payroll and Related Expenses                         | 102,000      | 97,298       | 4,702                                  |
| Per diem                                             | 10,000       | 7,900        | 2,100                                  |
| Professional fees                                    | 87,000       | 84,430       | 2,570                                  |
| Repairs and maintenance                              | 48,000       | 73,094       | (25,094)                               |
| Retirement                                           | -            | 8,416        | (8,416)                                |
| Spraying                                             | 45,000       | -            | 45,000                                 |
| Supplies                                             | 30,000       | 5,997        | 24,003                                 |
| Utilities                                            | 1,440        | 1,780        | (340)                                  |
| Capital Outlay                                       | 25,000       | 3,150        | 21,850                                 |
| TOTAL EXPENDITURES                                   | 449,040      | 412,514      | 36,526                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 95,960       | 177,577      | 81,617                                 |
| FUND BALANCE - BEGINNING                             | 1,723,072    | 1,723,072    | -                                      |
| FUND BALANCE - ENDING                                | \$ 1,819,032 | \$ 1,900,649 | \$ 81,617                              |

See independent auditors' report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2025

Parochical Employees' Retirement System of Louisiana

|                                                                                                                     | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Employer's portion of the net pension liability (asset)                                                             | 0.00844%    | 0.06763%    | 0.06485%    | 0.00674%    | 0.00728%    | 0.00660%    | 0.00686%    | 0.00617%    |
| Employer's proportionate share of the net pension liability (asset)                                                 | \$ (8,484)  | \$ 6,444    | \$ 24,959   | \$ (31,728) | \$ (12,768) | \$ (11,580) | \$ 30,440   | \$ (8,120)  |
| Employer's covered payroll                                                                                          | \$ 86,807   | \$ 66,738   | \$ 61,287   | \$ 61,294   | \$ 58,837   | \$ 62,107   | \$ 63,851   | \$ 54,988   |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -9.77%      | 9.66%       | 40.72%      | -51.76%     | -21.70%     | -18.65%     | 47.67%      | -14.77%     |
| Plan fiduciary net position as a percentage of the total pension liability                                          | 101.97%     | 98.03%      | 91.74%      | 110.46%     | 104.00%     | 104.00%     | 88.86%      | 101.98%     |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

\*The amounts presented have a measurement date of December 31, 2024.

See independent auditors' report.

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

## Schedule of Employer Contributions

Year Ended December 31, 2025

| <u>Date</u>                                         | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions<br/>in Relation to<br/>Contractually<br/>Required<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Contributions<br/>as a % of<br/>Covered<br/>Employee<br/>Payroll</u> |
|-----------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------|
| Parochial Employees' Retirement System of Louisiana |                                                    |                                                                                         |                                                 |                                                        |                                                                         |
| 2018                                                | \$ 6,593                                           | \$ 6,593                                                                                | \$ -                                            | \$ 54,988                                              | 12.0%                                                                   |
| 2019                                                | \$ 7,037                                           | \$ 7,037                                                                                | \$ -                                            | \$ 63,851                                              | 11.0%                                                                   |
| 2020                                                | \$ 7,490                                           | \$ 7,490                                                                                | \$ -                                            | \$ 62,107                                              | 12.1%                                                                   |
| 2021                                                | \$ 7,152                                           | \$ 7,152                                                                                | \$ -                                            | \$ 58,837                                              | 12.2%                                                                   |
| 2022                                                | \$ 7,049                                           | \$ 7,049                                                                                | \$ -                                            | \$ 61,294                                              | 11.5%                                                                   |
| 2023                                                | \$ 7,048                                           | \$ 7,048                                                                                | \$ -                                            | \$ 61,287                                              | 11.5%                                                                   |
| 2024                                                | \$ 7,094                                           | \$ 7,094                                                                                | \$ -                                            | \$ 66,738                                              | 10.6%                                                                   |
| 2025                                                | \$ 8,416                                           | \$ 8,416                                                                                | \$ -                                            | \$ 86,807                                              | 9.7%                                                                    |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditors' report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2025

|                                                                | <u>2025</u>      | <u>2024</u>      | <u>2023</u>      | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      |
|----------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total OPEB Liability</b>                                    |                  |                  |                  |                  |                  |                  |                  |                  |
| Service cost                                                   | \$ 1,299         | \$ 2,213         | \$ 1,472         | \$ 2,113         | \$ 2,059         | \$ 1,757         | \$ 2,554         | \$ 1,367         |
| Interest                                                       | 1,630            | 1,058            | 963              | 604              | 555              | 540              | 623              | 455              |
| Changes of benefit terms                                       | -                | -                | -                | -                | -                | -                | -                | -                |
| Differences between expected and actual experience             | (7,370)          | (3,126)          | 949              | 1,040            | (870)            | 3,155            | 1,342            | 32               |
| Changes of assumptions                                         | 2,651            | 2,018            | 1,579            | (6,363)          | 226              | 457              | 3,048            | (1,103)          |
| Benefit payments                                               | -                | -                | -                | -                | -                | -                | -                | -                |
| <b>Net change in total OPEB Liability</b>                      | <u>(1,790)</u>   | <u>2,163</u>     | <u>4,963</u>     | <u>(2,606)</u>   | <u>1,970</u>     | <u>5,909</u>     | <u>7,567</u>     | <u>751</u>       |
| <b>Total OPEB liability - beginning</b>                        | <u>33,269</u>    | <u>31,106</u>    | <u>26,143</u>    | <u>28,749</u>    | <u>26,779</u>    | <u>20,870</u>    | <u>13,303</u>    | <u>12,552</u>    |
| <b>Total OPEB liability - ending (a)</b>                       | <u>\$ 31,479</u> | <u>\$ 33,269</u> | <u>\$ 31,106</u> | <u>\$ 26,143</u> | <u>\$ 28,749</u> | <u>\$ 26,779</u> | <u>\$ 20,870</u> | <u>\$ 13,303</u> |
| Covered-employee payroll                                       | \$ 69,998        | \$ 57,533        | \$ 56,574        | \$ 55,999        | \$ 58,837        | \$ 62,107        | \$ 63,851        | \$ 54,988        |
| Net OPEB liability as a percentage of covered-employee payroll | 44.97%           | 57.83%           | 54.98%           | 46.68%           | 48.86%           | 43.12%           | 32.69%           | 24.19%           |

**Notes to Schedule:**

*Benefit change*

*Changes of assumptions:*

|      |      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|------|
| None | None | None | None | None | None | None | None | None |
|------|------|------|------|------|------|------|------|------|

*Discount rate:*

|       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|
| 4.83% | 4.08% | 3.26% | 3.72% | 2.06% | 2.12% | 2.74% | 4.10% |
|-------|-------|-------|-------|-------|-------|-------|-------|

*Mortality:*

|               |               |               |               |         |         |         |         |
|---------------|---------------|---------------|---------------|---------|---------|---------|---------|
| Pub-2010/2021 | Pub-2010/2021 | Pub-2010/2021 | Pub-2010/2021 | RP-2014 | RP-2014 | RP-2000 | RP-2000 |
|---------------|---------------|---------------|---------------|---------|---------|---------|---------|

*Trend:*

|              |              |              |              |          |      |      |          |
|--------------|--------------|--------------|--------------|----------|------|------|----------|
| Getzen model | Getzen model | Getzen model | Getzen model | Variable | 5.5% | 5.5% | Variable |
|--------------|--------------|--------------|--------------|----------|------|------|----------|

This schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

See independent auditors' report.

## OTHER INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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

Year Ended December 31, 2025

Chief Executive Officer: Wesley Hardin, Board President

| <b><u>Purpose</u></b>                  | <b><u>Amount</u></b> |
|----------------------------------------|----------------------|
| Salary                                 | \$ -                 |
| Benefits-insurance                     | -                    |
| Benefits-retirement                    | -                    |
| Benefits-cell phone                    | -                    |
| Car allowance                          | -                    |
| Vehicle provided by government         | -                    |
| Per diem                               | 1,700                |
| Reimbursements                         | -                    |
| Travel                                 | -                    |
| Registration fees                      | -                    |
| Travel                                 | -                    |
| Registration fees                      | -                    |
| Conference travel                      | -                    |
| Continuing professional education fees | -                    |
| Housing Unvouchered expenses           | -                    |
| Special meals                          | -                    |

INDEPENDENT AUDITORS' 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

June 22, 2026

Board of Commissioners  
Cameron Parish Gravity Drainage District No. 9  
Hackberry, Louisiana

We have audited, in accordance with the 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, the financial statements of the Cameron Parish Gravity Drainage District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 22, 2026.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cameron Parish Gravity Drainage District No. 9's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or others matters that are required to be reported under *Government Auditing Standards*.

### **Cameron Parish Gravity Drainage District No. 9's Response to Finding**

Cameron Parish Gravity Drainage District No. 9's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Cameron Parish Gravity Drainage District No. 9's response was not subjected to the auditing procedures applied in the audit to the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our 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 Governmental Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Shagun, Cassidy: Shilley*

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Schedule of Findings and Responses

Year Ended December 31, 2025

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Control deficiency(ies) identified that are not considered to be material weakness(es)? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding 2025-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

3. Federal Award Findings and Questioned Costs

- N/A

4. Prior Year Audit Findings

Finding 2024-001: Inadequate Segregation of Duties

Current status: This is a repeat finding in 2025.



COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
BRIAN MCCAIN, C.P.A.  
GRAHAM A. PORTUS, E.A.  
KATHRYN BLESSINGTON, C.P.A.  
BLAKE MANUEL, C.P.A.  
HEATHER SLAVIN, E.A.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2025

June 11, 2026

Board of Commissioners  
Cameron Parish Gravity Drainage No.9  
and the Louisiana Legislative Auditor  
Hackberry, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2025 through December 31, 2025. The District's management is responsible for those C/C areas identified in the SAUPs.

Cameron Parish Gravity Drainage No.9 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 year 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 findings are as follows:

**1) Written Policies and Procedures**

---

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

***The District does not have a complete written policies and procedures manual.***

- ii. *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

***The District does not have a complete written policies and procedures manual.***

- iii. *Disbursements*, including processing, reviewing, and approving.

***The District does not have a complete written policies and procedures manual.***

- iv. *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmations with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

***The District does not have a complete written policies and procedures manual.***

- v. *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

***The District does not have a complete written policies and procedures manual.***

- vi. *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

***The District does not have a complete written policies and procedures manual.***

- vii. *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

***The District does not have a complete written policies and procedures manual.***

- viii. *Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

***The District does not have a complete written policies and procedures manual.***

- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

***The District does not have a complete written policies and procedures manual.***

- x. *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

***The District does not have a complete written policies and procedures manual.***

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location

isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

***The District does not have a complete written policies and procedures manual.***

- xii. *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

***The District does not have a complete written policies and procedures manual.***

***Management Response: A written policies and procedures manual is currently in progress and will be adopted in the future.***

## ***2) Board or Finance Committee***

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

***No exceptions were found as a result of this procedure.***

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

***No exceptions were found as a result of this procedure.***

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

***No exceptions were found as a result of this procedure.***

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

***No exceptions were found as a result of this procedure.***

### **3) Bank Reconciliations**

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

***No exceptions were found as a result of this procedure.***

- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and

***No exceptions were found as a result of this procedure.***

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***No exceptions were found as a result of this procedure.***

### **4) Collections**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

***The listing was provided by management.***

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5

collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

- i. Employees that are responsible for cash collections do not share cash drawers/registers;

***The cash drawer is shared.***

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit:

***The employee responsible for collecting cash is responsible for preparing/making bank deposits.***

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

***The employee responsible for collecting cash is responsible for posting collection entries to the general ledger.***

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

***The employee responsible for reconciling cash collections to the general ledger by revenue source is responsible for collecting cash.***

***Management Response: The District maintains an office with only one office employee who performs all accounting functions. As a compensating control, a board member reviews each bank statement and reconciliation.***

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

***No exceptions were found as a result of this procedure.***

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

***No exceptions were found as a result of this procedure.***

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

***No exceptions were found as a result of this procedure.***

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

***No exceptions were found as a result of this procedure.***

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

***No exceptions were found as a result of this procedure.***

- v. Trace the actual deposit per the bank statement to the general ledger.

***No exceptions were found as a result of this procedure.***

***5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements and petty cash purchases)***

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

***The listing was provided by management.***

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

***Purchases are initiated by only one employee.***

***Management Response: Due to only one office personnel, this procedure is not feasible.***

- ii. At least two employees are involved in processing and approving payments to vendors;

***Only one employee is involved in processing and approving payments.***

***Management Response: Due to only one office personnel, this procedure is not feasible.***

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

***The employee responsible for processing payments is not prohibited from adding/modifying vendor files. No other employee reviews changes to vendor files.***

***Management Response: Due to only one office personnel, this procedure is not feasible.***

- iv. 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; and

***No exceptions were found as a result of this procedure.***

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

***No exceptions were found as a result of this procedure.***

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

***No exceptions were found as a result of this procedure.***

- ii. Observe whether the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

***No exceptions were found as a result of this procedure.***

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

***No exceptions were found as a result of this procedure.***

**6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

***The listing was provided by management.***

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder; and

***No exceptions were found as a result of this procedure.***

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

***No exceptions were found as a result of this procedure.***

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observed that it is supported by (1) an original itemized receipt that

identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

***No exceptions were found as a result of this procedure.***

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

***No exceptions were found as a result of this procedure.***

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

***No exceptions were found as a result of this procedure.***

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

***No exceptions were found as a result of this procedure.***

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

***No exceptions were found as a result of this procedure.***

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***No exceptions were found as a result of this procedure.***

#### **8) Contracts**

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

***No exceptions were found as a result of this procedure.***

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

***No exceptions were found as a result of this procedure.***

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

***No exceptions were found as a result of this procedure.***

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***No exceptions were found as a result of this procedure.***

#### **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to the authorized salaries/pay rates in the personnel files.

***No exceptions were found as a result of this procedure.***

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

***No exceptions were found as a result of this procedure.***

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

***No exceptions were found as a result of this procedure.***

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

***No exceptions were found as a result of this procedure.***

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

***No exceptions were found as a result of this procedure.***

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to the entity policy.

***No exceptions were found as a result of this procedure.***

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

***No exceptions were found as a result of this procedure.***

#### **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

***No exceptions were found as a result of this procedure.***

- ii. 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.

***No exceptions were found as a result of this procedure.***

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

***No exceptions were found as a result of this procedure.***

#### **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

***The District did not issue any debt.***

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

***The District has no debt outstanding.***

#### **12) Fraud Notice**

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

***The District was not aware of any misappropriation of public funds or assets during the fiscal year.***

- B. Observe the entity has posted on its 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 exceptions were found as a result of this procedure.***

### **13) Information Technology Disaster Recovery/Business Continuity**

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Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

***No exceptions were found as a result of this procedure.***

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

***No exceptions were found as a result of this procedure.***

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

***No exceptions were found as a result of this procedure.***

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

***No exceptions were found as a result of this procedure.***

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and

- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

***No exceptions were found as result of this procedure.***

***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

***No exceptions were found as a result of this procedure.***

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

***No exceptions were found as a result of this procedure.***

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

***No exceptions were found as a result of this procedure.***

- ii. Number of sexual harassment complaints received by the agency;

***No exceptions were found as a result of this procedure.***

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

***No exceptions were found as a result of this procedure.***

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

***No exceptions were found as a result of this procedure.***

- v. Amount of time it took to resolve each complaint.

***No exceptions were found as a result of this procedure.***

We were engaged by Cameron Parish Gravity Drainage No.9 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*. We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Cameron Parish Gravity Drainage No.9 and to meet our 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.

*Shagun, Candace Shillery*