

LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1

REPORT ON AUDIT OF COMPONENT
UNIT FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Parish Gravity Drainage
District #1
Denham Springs, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund (the General Fund) of the Livingston Parish Gravity Drainage District #1, “the District,” a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2024, 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 (the General Fund) of the Livingston Parish Gravity Drainage District #1, as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *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 District 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 opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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.

Report on Summarized Comparative Information

We have previously audited the District's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 9 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 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's 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.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 13, 2025

Livingston Parish Gravity Drainage
District #1
Denham Springs, Louisiana
Management's Discussion and Analysis
December 31, 2024

This section of the Livingston Parish Gravity Drainage District #1's (the District) annual financial report presents our discussion and analysis of the District's activities for the year ended December 31, 2024. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the detailed financial statements.

FINANCIAL HIGHLIGHTS

- * Net Position on December 31, 2024 was \$12,142,808.
- * The Net Position of the Governmental Activities showed an increase of \$1,010,656 representing a 9.08% increase in 2024.
- * The total fund balance of General Fund at December 31, 2024 was \$9,586,489. This reflects an actual increase in 2024 of \$1,096,938 or 12.92% over the amount in 2023.
- * The District had a 2.21% increase in the amount of sales tax revenue in 2024 from the amount in 2023. The sales tax revenue totaled \$3,282,964 in 2024 and \$3,212,076 in 2023, representing 68.78% and 71.11% of the total revenue in each of the respective years.
- * The District had an increase of \$16,946 of ad valorem tax revenue in 2024. The ad valorem tax revenue totaled \$1,105,962 in 2024 and \$1,089,016 in 2023, representing 23.17% and 24.11% of the total revenues in each of the respective years.

OVERVIEW OF FINANCIAL STATEMENTS

The management discussion and analysis are intended to serve as an introduction to the basic financial statements of the District. The District's basic financial statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements.

Government-wide financial statements are designed by GASB Statement 34, as amended, to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and accrued but unpaid interest).

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The District has one fund, the General Fund, which is a governmental type fund.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable* resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 18 of this report.

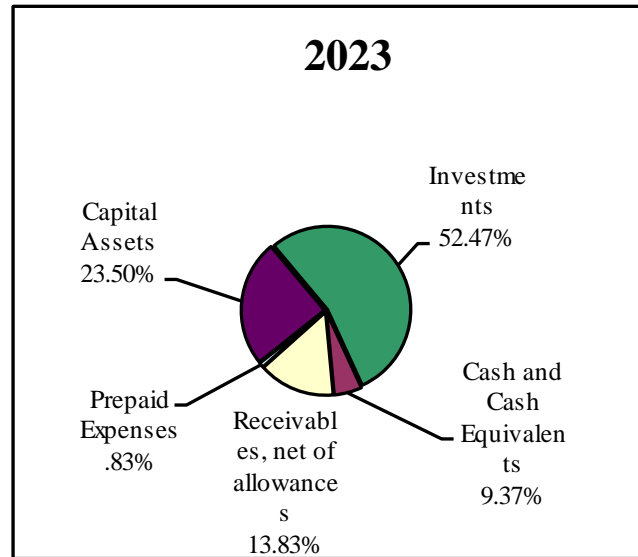
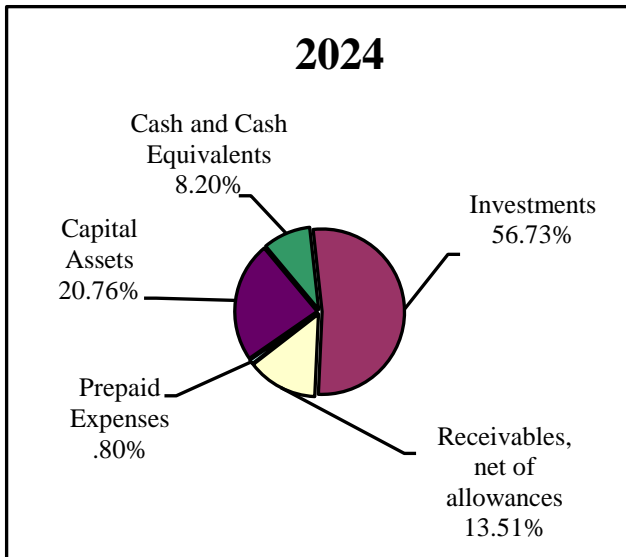
Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 33 of this report.

STATEMENT OF NET POSITION

The following is a schedule of the District's net position at December 31, 2024 and 2023. Net position is calculated by taking the difference between the total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of 2024 and 2023 by a total of \$12,142,808 and \$11,132,152, respectively.

Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>Increases (Decreases)</u>
Cash and Cash Equivalents	\$ 1,009,853	\$ 1,053,513	\$ (43,660)
Investments	6,984,847	5,900,880	1,083,967
Receivables, net of allowances	1,662,913	1,555,223	107,690
Prepaid Expenses and Inventory	99,117	93,993	5,124
Capital Assets, Net of Accumulated Depreciation	<u>2,556,319</u>	<u>2,642,601</u>	<u>(86,282)</u>
 Total Assets	 12,313,049	 11,246,210	 1,066,839
 Current Liabilities	 <u>170,241</u>	 <u>114,058</u>	 <u>56,183</u>
 Total Liabilities	 170,241	 114,058	 56,183
 Net Position			
Investment in Capital Assets	2,556,319	2,642,601	(86,282)
Unrestricted	<u>9,586,489</u>	<u>8,489,551</u>	<u>1,096,938</u>
 Total Net Position	 <u><u>\$ 12,142,808</u></u>	 <u><u>\$ 11,132,152</u></u>	 <u><u>\$ 1,010,656</u></u>



STATEMENT OF ACTIVITIES

The District is committed to previous years' goals of accomplishing proper maintenance to the existing infrastructure canal and ditch systems for drainage. Various improvement projects at certain sites were undertaken as well as the continued ongoing clearing, spraying, and general improvement to drainage areas. The extreme growth in the number of homeowners along with business establishments in the District and the new challenges and demands for better drainage of water flow throughout the District is currently challenging management to improve all areas for drainage. Improving methods of clearing, cleaning, and maintaining existing canals is management's priority. Lower areas are being developed and the general population is occupying these areas in large numbers. As the growth continues within the District, due diligence and expenditure of resources will be a priority to secure proper drainage for all. Increased staff and equipment purchases were made in recent years to achieve the goal of proper drainage. The District has focused on the routine maintenance of problem drainage areas in the District and attempting assistance to various citizens with drainage issues. The District has completed the first phases of engineering of designing a modeling program of the major tributary, Gray's Creek, along other areas of the District. Dixon Creek, Allen Bayou, Beaver Creek, Colton Creek, LongSlash Branch, Plantation Estates, are being addressed with further modeling for drainage.

The majority of the funding for the District's operation and maintenance is provided by sales taxes on public sales within the boundaries of the District. The District collects a one-half cent sales and use tax within the boundaries of the District which is placed into the general fund. The District's voters passed a renewal of the one-half cent sales tax for a period of 20 years beginning in 2025 and ending in 2045. The District's voters passed a renewal of the 5 mill Ad Valorem property tax in 2019 which began in 2021. The District collected 3.79 mills in 2024. The funds are used to pay for the operation and maintenance of the drainage systems and asset purchases. Other sources of revenue result from interest earned and governmental revenue sharing amounts.

Condensed Statement of Activities

	<u>2024</u>	<u>2023</u>	<u>Increases (Decreases)</u>
Revenues:			
General Revenues:			
Ad Valorem Tax	\$ 1,105,962	\$ 1,089,016	\$ 16,946
Sales Tax	3,282,964	3,212,076	70,888
State Revenue Sharing	32,807	32,314	493
Miscellaneous	958	924	34
Interest	342,945	166,218	176,727
Intergovernmental	-	2,475	(2,475)
Net Gain on Sale of Assets	7,401	14,000	(6,599)
Total General Revenues	<u>4,773,037</u>	<u>4,517,023</u>	<u>256,014</u>
Expenses:			
Public Works	3,439,401	2,948,146	491,255
Depreciation	322,980	295,121	27,859
	<u>3,762,381</u>	<u>3,243,267</u>	<u>519,114</u>
Change in Net Assets	1,010,656	1,273,756	(263,100)
Net Position - Beginning of Year	11,132,152	9,858,396	1,273,756
Net Position - End of Year	<u>\$ 12,142,808</u>	<u>\$ 11,132,152</u>	<u>\$ 1,010,656</u>

REVENUES

- * Sales and use tax revenue increased by \$70,888 or 2.21% in 2024 from the previous year.
- * Ad valorem tax revenue, increased \$16,946 in 2024 over the prior year.
- * Interest income continues to increase due to increased rates and more investments in Lamp.

EXPENSES

Total public works expenses for 2024 increased by \$491,255. This net increase in operating expense was because of the following:

- * Salaries, payroll taxes, and retirement expenses increased by \$72,531 over the past year.
- * Contracted services for grass cutting increased by \$54,330.
- * Equipment repairs increased by a total of \$112,506 in 2024, due to several large repairs made to heavy equipment during the year.
- * Engineering/Legal fees included in professional fees increased by \$192,595 due to more projects during the year.
- * Health insurance expenses increased by \$39,097.
- * Office supplies increased by \$9,323.
- * Supplies decreased by \$9,103.
- * Uniform expense increased by \$3,433.
- * Insurance increased by \$2,479.
- * Sales tax collection fees increased by \$1,070.

FUND FINANCIAL ANALYSIS

As noted earlier the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

The general fund is the only fund of the District. At the end of the year, the total fund balance for the general fund was \$9,586,489 as compared to the previous fiscal year of \$8,489,551 an increase of \$1,096,938. Of the ending governmental fund balance, \$99,117 was considered non-spendable for prepaid insurance and inventory, \$6,200,000 was committed for capital improvement projects, and \$3,287,372 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represented 89.38% percent of total general fund expenditures, while total fund balance represented 260.65% of total general fund expenditures.

BUDGETARY HIGHLIGHTS

- * The final amended budget for revenues in 2024 reflects an increase of \$218,500. This was caused by continued higher interest rates earning increased interest on reserve funds and continued growth beyond expectations of local sales tax revenue and ad valorem collections.
- * In 2024, the District received \$7,036 less in sales tax than the final amended revenue budget or a .002% unfavorable variance. In 2023, revenues were greater than the final amended revenue budget by \$17,076 or .54% favorable variance.
- * In 2024, the final amended budget for total operational expenditures reflects a \$47,899 favorable variance as compared to a \$71,554 favorable variance in 2023. The 2024 final amended capital outlay budget reflected a \$11,543 favorable variance in capital outlay expenditures along with the favorable variance of \$47,106 in 2023.

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2024 was \$2,556,319 and 2023 amounts to \$2,642,601 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings, system improvements, machinery, and equipment. The total net decrease in the District's cost of investment in capital assets for 2024 was \$86,282 or 3.20%.

2024: Total cost of additions equaled \$238,457:

Equipment purchased amounted to \$113,382.

Vehicles amounted to \$123,000.

Furniture and Fixtures additions amounted to \$2,075.

Depreciation expense for 2024 amounted to \$322,980.

Total cost of assets that were disposed of in 2024 was \$65,748 consisting of \$21,257 in vehicles and \$44,491 in machinery and equipment. The District recognized a gain on the disposal of these assets of \$9,160.

FUTURE EXPENSES

The District is committed to previous years' goals of accomplishing proper maintenance to all major canals, ditches, and lateral drainage channels for the new population demand being experienced within the District. The extreme growth in the number of homeowners in the District and the additional drainage impact effects from new development will require additional cleaning of major drainage channels. Focusing attention on canals which are holding surface water or causing delayed drainage will be pursued by the District in the future with the resources available. Increases in expenditures for engineering, employee salaries, general supplies will be realized in upcoming years. New capital outlay items for related maintenance equipment, interaction projects with FEMA and other federal matching capital outlay programs (Louisiana Watershed Initiative), Parish cooperative endeavor projects, and engineering for multiple watershed studies (revealing new improvement projects affecting citizen's drainage) will be realized.

A modeling system is in process for engineering of the major District tributaries (Gray's Creek Watershed Project and four other watershed areas in the District) which will add expenses of major improvements within the next five years. The District adopted a 2025 budget amount equal to \$5,791,500 which included Capital Outlay (designated for equipment and watershed projects) in 2024 of \$2,575,000 to accomplish the goals stated above inclusive of District improvements along the watershed of Allen Bayou, Gray's Creek, and other watershed projects as they become feasible. Much of these new projects will require assistance through the Louisiana Watershed Initiative Program and other drainage based matching programs.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens and creditors with a general overview of the District's finances and reveal the District's accountability for the money received through its operations. If there are any questions about this report or need of additional financial information, contact Administrative Secretary, Randall Smith, Post Office Box 1265, Denham Springs, La 70727.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2024
(With Comparative Totals as of December 31, 2023)

ASSETS

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Assets:		
Cash and Cash Equivalents	\$ 1,009,853	\$ 1,053,513
Investments	6,984,847	5,900,880
Due from Other Governments	9,953	6,709
Ad Valorem Taxes Receivable, Net of Allowance	1,079,885	934,382
Sales Tax Receivable, Net of Collection Fees	572,967	611,998
Other Receivables	108	2,134
Inventory	3,399	3,459
Prepaid Insurance	95,718	90,534
Capital Assets:		
Land and Construction in Progress	280,921	280,921
Capital Assets, Net of Accumulated Depreciation	<u>2,275,398</u>	<u>2,361,680</u>
Total Assets	<u><u>\$ 12,313,049</u></u>	<u><u>\$ 11,246,210</u></u>

LIABILITIES

Liabilities:		
Accounts Payable	\$ 132,748	\$ 79,947
Accrued Liabilities	<u>37,493</u>	<u>34,111</u>
Total Liabilities	170,241	114,058

NET POSITION

Investment in Capital Assets	2,556,319	2,642,601
Unrestricted	<u>9,586,489</u>	<u>8,489,551</u>
Total Net Position	<u>12,142,808</u>	<u>11,132,152</u>
Total Liabilities and Net Position	<u><u>\$ 12,313,049</u></u>	<u><u>\$ 11,246,210</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Governmental Activities:		
Expenses:		
Public Works	\$ 3,439,401	\$ 2,948,146
Depreciation	322,980	295,121
Total Expenses	3,762,381	3,243,267
 General Revenues:		
Ad Valorem Tax	1,105,962	1,089,016
Sales Tax	3,282,964	3,212,076
State Revenue Sharing	32,807	32,314
Miscellaneous	958	924
Interest	342,945	166,218
Intergovernmental	-	2,475
Net Gain on Sale of Assets	7,401	14,000
Total General Revenues	4,773,037	4,517,023
 Change in Net Position	1,010,656	1,273,756
 Net Position - Beginning of Year	<u>11,132,152</u>	<u>9,858,396</u>
Net Position - End of Year	<u><u>\$12,142,808</u></u>	<u><u>\$11,132,152</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

BALANCE SHEET - GENERAL FUND

AS OF DECEMBER 31, 2024
(With Comparative Totals as of December 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,009,853	\$ 1,053,513
Investments	6,984,847	5,900,880
Due from Other Governments	9,953	6,709
Ad Valorem Taxes Receivable, Net of Allowance	1,079,885	934,382
Sales Tax Receivable, Net of Collection Fees	572,967	611,998
Other Receivables	108	2,134
Inventory	3,399	3,459
Prepaid Insurance	95,718	90,534
Total Assets	<u>\$ 9,756,730</u>	<u>\$ 8,603,609</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 132,748	\$ 79,947
Accrued Liabilities	37,493	34,111
Total Liabilities	170,241	114,058
Fund Balance:		
Committed For Capital Improvements:		
Gray's Creek Widening	1,500,000	-
Allen Bayou	2,700,000	-
Madeline Fisher Ditch	1,000,000	-
Culvert Maintenance Replacement	500,000	-
Colton Creek Culverts	500,000	-
Nonspendable:		
Inventory and Prepaid Insurance	99,117	93,993
Unassigned	3,287,372	8,395,558
Total Fund Balance	<u>9,586,489</u>	<u>8,489,551</u>
Total Liabilities and Fund Balance	<u>\$ 9,756,730</u>	<u>\$ 8,603,609</u>

The accompanying notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

**RECONCILIATION OF THE GENERAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

AS OF DECEMBER 31, 2024
(With Comparative Totals as of December 31, 2023)

	<u>2024</u>	<u>2023</u>
Fund Balances - Total Governmental Fund	\$ 9,586,489	\$ 8,489,551
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the fund		
Governmental Capital Assets	5,871,691	5,698,982
Less: Accumulated Depreciation	<u>(3,315,372)</u>	<u>(3,056,381)</u>
Capital Assets, Net of Accumulated Deprecation	<u>2,556,319</u>	<u>2,642,601</u>
Net Position of Governmental Activities	<u><u>\$12,142,808</u></u>	<u><u>\$11,132,152</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE- GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Revenues:		
Ad Valorem Taxes	\$ 1,105,962	\$ 1,089,016
Sales Tax	3,282,964	3,212,076
State Revenue Sharing	32,807	32,314
Miscellaneous	958	924
Interest	342,945	166,218
Intergovernmental	<u>-</u>	<u>2,475</u>
Total Revenues	4,765,636	4,503,023
Expenditures:		
Public Works:		
Salaries	961,415	893,955
Per Diem-Board Members	8,900	8,600
Payroll Taxes	73,375	68,888
Retirement Contributions	65,340	65,236
Health Insurance	224,130	185,033
Assessor's Pension Fund	43,730	41,951
Business Insurance	149,288	146,809
Contract Services	502,442	448,112
Fuel	61,985	61,738
Legal and Professional Fees	854,375	661,780
Supplies	97,174	106,277
Miscellaneous	10,183	12,310
Office Supplies	23,397	14,074
Repairs and Maintenance	235,719	123,213
Sales Tax Collection Fees	49,221	48,151
Telephone	15,029	6,509
Uniforms	20,064	16,631
Utilities	<u>43,634</u>	<u>38,879</u>
	3,439,401	2,948,146

(CONTINUED)

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE- GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Expenditures (Continued):		
Capital Outlay	<u>238,457</u>	<u>474,294</u>
Total Expenditures	<u>3,677,858</u>	<u>3,422,440</u>
Excess of Revenues Over Expenditures	1,087,778	1,080,583
Other Financing Sources:		
Proceeds from Sale of Assets	<u>9,160</u>	<u>14,000</u>
Net Change in Fund Balance	1,096,938	1,094,583
Fund Balance at Beginning of Year	<u>8,489,551</u>	<u>7,394,968</u>
Fund Balance at End of Year	<u><u>\$ 9,586,489</u></u>	<u><u>\$ 8,489,551</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GENERAL FUND
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Net Change in Fund Balances - Total Governmental Fund	\$1,096,938	\$1,094,583
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlays and depreciation in the period:</p>		
Capital Outlays	238,457	474,294
Depreciation Expense	<u>(322,980)</u>	<u>(295,121)</u>
	<u>(84,523)</u>	<u>179,173</u>
<p>Add: Accumulated Depreciation on Capital Assets Retired during the Year</p>		
	63,989	152,903
Less: Cost Basis of Capital Assets Retired during the Year	<u>(65,748)</u>	<u>(152,903)</u>
Gain (Loss) on Capital Assets Retired during the Year	<u>(1,759)</u>	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,010,656</u></u>	<u><u>\$ 1,273,756</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$ 1,091,000	\$ 1,103,500	\$ 1,105,962	\$ 2,462
Sales Tax	3,225,000	3,290,000	3,282,964	(7,036)
State Revenue Sharing	22,000	22,000	32,807	10,807
Miscellaneous	-	1,000	958	(42)
Interest	203,500	343,500	342,945	(555)
Total Revenues	4,541,500	4,760,000	4,765,636	5,636
Expenditures:				
Public Works:				
Salaries	975,000	960,000	961,415	(1,415)
Per Diem- Board Members	12,000	10,000	8,900	1,100
Payroll Taxes	82,000	74,000	73,375	625
Retirement Contributions	69,000	73,000	65,340	7,660
Health Insurance	200,000	238,000	224,130	13,870
Assessor's Pension Fund	43,000	42,000	43,730	(1,730)
Business Insurance	165,000	155,000	149,288	5,712
Contract Services	500,000	517,500	502,442	15,058
Fuel	62,000	62,000	61,985	15
Legal and Professional Fees	635,000	833,000	854,375	(21,375)
Supplies	125,000	102,000	97,174	4,826
Miscellaneous	15,000	17,800	10,183	7,617
Office Supplies	11,000	17,500	23,397	(5,897)
Repairs and Maintenance	135,000	250,000	235,719	14,281
Sales Tax Collection Fees	51,000	50,000	49,221	779
Telephone	10,000	15,500	15,029	471
Uniforms	24,000	20,000	20,064	(64)
Utilities	52,000	50,000	43,634	6,366
Watershed Studies	100,000	-	-	-
	3,266,000	3,487,300	3,439,401	47,899

(CONTINUED)

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Expenditures (Continued):				
Capital Outlay	3,300,000	250,000	238,457	11,543
Total Expenditures	6,566,000	3,737,300	3,677,858	59,442
Excess (Deficiency) of Revenues Over Expenditures	(2,024,500)	1,022,700	1,087,778	65,078
Other Financing Sources:				
Proceeds from Sale of Assets	-	5,500	9,160	3,660
Net Change in Fund Balance	(2,024,500)	1,028,200	1,096,938	68,738
Fund Balance at Beginning of Year	8,489,551	8,489,551	8,489,551	-
Fund Balance at End of Year	<u>\$ 6,465,051</u>	<u>\$ 9,517,751</u>	<u>\$ 9,586,489</u>	<u>\$ 68,738</u>

The accompanying notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies -

Livingston Parish Gravity Drainage District #1 (“the District”) is a corporate body created by the Livingston Parish Council on November 22, 1969, as provided by Louisiana Revised Statutes. The purpose of the District is to provide maintenance services to drainage structures within the boundaries of the district. The District is governed by a board of five commissioners.

In October 2019, an election was held whereby the voters of Livingston Parish Gravity Drainage District #1 approved a ten year 5-mill property tax renewal on assessed property within the District which will expire in 2030. Also, on December 7, 2024, a 20-year renewal election was held whereby the voters of the District approved the renewal of a ½% sales tax. In addition, the District receives State Revenue Sharing funds from State provisions connected to the local property tax election passage.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the District's Board of Commissioners. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

In conformance with Governmental Accounting Standards Board, Statement 61, the District is a component unit of the Livingston Parish Council, the governing body of the parish. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within the financial statements or separately reported as a discrete component unit. The accompanying financial statements present information only on the fund maintained by the District and do not present information on the Council and the general government services provided by that governmental unit.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

B. Basis of Presentation

The District's basic financial statements include both government-wide and fund financial statements (reporting the District's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. There were no activities of the District categorized as a business-type activity.

Basic Financial Statements - Government-Wide Statements

In the government-wide Statement of Net Position, the governmental activity column (a) is presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resource basis.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflects capital-specific grants. The District does not have any program revenues or operating and capital grants.

The net costs (by function) are normally covered by general revenue (taxes, interest and investment earnings, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in an individual fund in the fund financial statements. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. This fund is reported by generic classification within the financial statements.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

The District uses the following fund type:

Governmental Funds:

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

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2024, it is the only fund of the District.

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual -

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the District consist principally of sales taxes, property taxes, state revenue sharing, and interest income. Interest income is recorded when earned. Sales taxes are recorded as revenues when the underlying transaction occurs and meets the availability criteria. Property taxes are recorded as revenues when levied even though a portion of the taxes may be collected in subsequent years. State revenue sharing is recorded when made available.

2. Modified Accrual -

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A sixty-day availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Depreciation is not recognized in the Governmental Fund Financial Statements.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

D. Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements or other capital outlays costing at least \$1,500 and significantly extending the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight line basis over the following estimated useful lives:

Buildings and Improvements	20 to 40 years
Machinery and Equipment	5 to 10 years
Furniture and Fixtures	5 to 7 years
Vehicles	5 years

E. Budgetary Practices

The District utilizes the following budgetary practices:

The Chairperson of the Board prepares the annual budget which is based on what is expected to be collected during the fiscal year and is approved by the Board of Commissioners. The adopted budget constitutes the authority of the District to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment. The 2024 budget was discussed in a public hearing and adopted during a meeting of the Board on December 12, 2023. The amended 2024 budget was discussed in a public hearing and adopted during a meeting of the Board on December 10, 2024.

All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of the annual budget during the year.

F. Reclassifications

Certain items in the 2023 financial statements may have been reclassified to conform to the presentation in the current year financial statements. Such reclassifications had no effect on previously reported excess (deficiency) of revenues over expenses or change in net position.

G. 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 and such differences may be material.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

H. Inventory

Inventory is valued at cost, which approximates market, using the first-in first-out method. The District's inventory consists of fuel.

I. Encumbrances

Encumbrances outstanding at year end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The Governmental Fund's budget is maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

The actual results of operations are presented in accordance with GAAP and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. At December 31, 2024, the District had no outstanding encumbrances.

J. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net position into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

Net Investment in Capital Assets Component of Net Position - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. The District does not have any capital related debt or capital related deferred inflows of resources, and as such, the component is *investment in capital assets* in the current year.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

Restricted Component of Net Position - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either: (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) Imposed by law through constitutional provisions or enabling legislation.

Unrestricted Component of Net Position - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. Fund Balance

The District follows the provisions of Governmental Accounting Standards Board Statement No. 54 which defines how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The nonspendable fund balance at the governmental fund level is equal to the amount of inventory and prepaid insurance at year-end to indicate the portion of the governmental fund balance that is nonspendable.

Restricted - These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the District board, which is the highest level of decision making authority for the District. These amounts cannot be used for any other purpose unless the District board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.

Unassigned - These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

The details of the fund balances are included in the Balance Sheet - General Fund (page 12). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the District board or the assignment has been changed by the District board. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

L. Summary Financial Information for 2023

The financial statements include certain prior year summarized information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

(2) Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with remaining or original maturities less than 90 days. Under state law the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District had bank balances of cash and cash equivalents totaling \$1,022,974 with book balances of \$1,009,853 at December 31, 2024.

Custodial Credit Risk - Deposits In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities 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 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. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 has failed to pay deposited funds upon demand. The District does not have a formal policy for custodial credit risk. At December 31, 2024, the District has \$1,022,974 in demand deposits (collected bank balances) for cash and cash equivalents. \$250,000 of the demand deposits are secured from risk by \$250,000 of federal deposit insurance and the remaining \$772,974 of demand deposits are secured by pledged securities. The \$772,974 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

(3) Investments -

Investments at December 31, 2024, only consist of \$6,984,847 in the Louisiana Asset Management Pool (LAMP), a local government external investment pool.

Fair Value Measurements. The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

- Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interest Rate Risk. 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.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- **Credit risk:** LAMP is rated AAAM by Standards and Poor's.
- **Custodial credit risk:** In the case of LAMP participants, investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

- **Concentration of credit risk:** Pooled investments are excluded from the five percent disclosure requirement.
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 68 days as of December 31, 2024,
- **Foreign currency risk:** Not applicable.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please free to call to contact LAMP administrative offices at (800) 249-5267.

(4) Ad Valorem Taxes -

On October 2019, the voters, who live within the boundaries of Gravity Drainage District No. 1 of Livingston Parish, Louisiana, renewed a 5-mill (\$5.00 per \$1,000 of assessed valuation) ad valorem tax to provide funds for the maintenance, improvement, and construction of drainage structures within the District. The tax is effective for a 10-year period (2021-2030).

The ad valorem taxes are levied each November 15 on the taxable assessed value listed as of the prior January 1 for all real and business personal property located within the boundaries of Gravity Drainage District No. 1. Taxable assessed value represents the appraised value of the property less exemptions allowed by law. The Livingston Parish Assessor periodically determines the appraised values.

Taxes are due on November 15, the levy date, and they become delinquent on the following January 1. The taxes are generally collected in December of the current year and January through March of the following year. During late April or May, of the year following the year the tax was levied, the Sheriff's office sends out delinquent notices to the property owners. Soon after the Sheriff has mailed the delinquent notices, he will publish them in the newspaper. After a second publication in the newspaper and at least 30 days from the date of the first publication, the property is advertised for auction. The auction usually takes place in June or July. Properties sold at auction have liens placed on them by their buyers. The Parish will put a lien on any properties not sold at the auction.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

As of January 1, 2024, the assessed value of the property located within Gravity Drainage District No. 1 of Livingston Parish, Louisiana, was \$292,235,766. For 2024, the District levied 3.79 mills to finance the maintenance, improvement, and construction of drainage structures.

Total taxes assessed and taxes receivable at December 31, 2024, are as follows:

	General Operations 3.79 Mills
<u>Revenues:</u>	
2024 Ad Valorem Tax Assessed	\$ 1,107,574
Less: 2024 Estimated Uncollectible	(27,689)
Excess Collections Over Prior Year Receivable	26,077
	<u>\$ 1,105,962</u>
<u>Receivable:</u>	
2024 Property Tax Assessed	\$ 1,107,574
Less: Current Year Taxes Collected in 2024	-
Total Property Taxes Receivable at December 31, 2024	1,107,574
Less: Allowance for Uncollectible Accounts	(27,689)
Net Property Tax Receivable at December 31, 2024	<u>\$ 1,079,885</u>

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

(5) Changes in Capital Assets -

<u>Governmental Activities</u>	<u>12/31/2023</u>	<u>Additions</u>	<u>Dispositions</u>	<u>12/31/2024</u>
Capital Assets not Being Depreciated:				
Land	\$ 157,288	\$ -	\$ -	\$ 157,288
Construction in Progress	123,633	-	-	123,633
Total Capital Assets Not being Depreciated	280,921	-	-	280,921
Capital Assets being Depreciated:				
Buildings	1,092,635	-	-	1,092,635
Improvements/Infrastructure	1,304,971	-	-	1,304,971
Vehicles	529,187	123,000	(21,257)	630,930
Machinery and Equipment	2,470,852	113,382	(44,491)	2,539,743
Furniture and Fixtures	20,416	2,075	-	22,491
Total Capital Asset Being Depreciated	5,418,061	238,457	(65,748)	5,590,770
Less: Accumulated Depreciation for:				
Buildings	(377,041)	(31,372)	-	(408,413)
Improvements/Infrastructure	(547,772)	(64,786)	-	(612,558)
Vehicles	(452,157)	(30,654)	21,257	(461,554)
Machinery and Equipment	(1,663,432)	(194,069)	42,732	(1,814,769)
Furniture and Fixtures	(15,979)	(2,099)	-	(18,078)
Total Accumulated Depreciation	(3,056,381)	(322,980)	63,989	(3,315,372)
Total Capital Assets Being Depreciated, Net	2,361,680	(84,523)	(1,759)	2,275,398
Total Governmental Activities Capital Assets, Net	<u>\$ 2,642,601</u>	<u>\$ (84,523)</u>	<u>\$ (1,759)</u>	<u>\$ 2,556,319</u>

Depreciation expense of \$322,980 was charged to the Public Works function in the Statement of Activities.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

(6) Commitments -

Following is a schedule that lists various projects and projects costs of each along with amounts spent to date:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Allen Bayou Relief	<u>\$ 165,751</u>	<u>\$ 123,633</u>	<u>\$ 42,118</u>
Total Incomplete Construction at December 31, 2024	<u><u>\$ 165,751</u></u>	<u><u>\$ 123,633</u></u>	<u><u>\$ 42,118</u></u>

(7) Long-Term Debt -

The Livingston Parish Gravity Drainage District #1 has no long-term debt transactions for the year ended December 31, 2024.

(8) Leases -

The District has no outstanding leases at December 31, 2024 that meet the recognition criteria of Governmental Accounting Standards Board Statement No. 87, *Leases*.

(9) Compensated Absences -

The District provides various forms of compensated leave benefits to its employees. An employee can earn sick leave and vacation leave based upon the number of hours worked each pay period and years of continuous employment. The employees of the District must use all of the compensated leave by year end. At this time, the District has no provision for leave carryover, and if leave is not used at year-end, it is lost. As such, a leave accrual is not required in the District's financial statements.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

(10) Per Diem Paid Board Members -

Each member of the Board of Commissioners is eligible to receive a per diem allowance of \$100 for attending each regular or special meeting of the board. Per diems paid to the board members for 2024 were as follows:

<u>Commissioner</u>	<u>Number of Meetings</u>	<u>Amount Received</u>
David Provost	22	\$2,200
Chris Whitmire	16	1,600
Robert Borne	20	2,000
Carl Juneau	16	1,600
Brian Ross	15	<u>1,500</u>
		<u>\$8,900</u>

(11) Schedule of Compensation, Benefits, and Other Payments to Chairman of the Board of Directors -

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by David Provost, Chairman of the Board of Directors, who was the acting agency head for the year ended December 31, 2024:

Per Diem	\$2,200
Benefit Insurance	-
Travel Reimbursements	-
Conferences	-
Meals	<u>-</u>
Total Compensation	<u>\$2,200</u>

(12) Pension Plan and Retirement Commitments -

The District has a Simplified Employee Pension Plan (SEP) for its employees. Under this defined contribution plan, the District's Board of Commissioners establishes individual retirement accounts for each eligible employee to whom the District will make a contribution as determined on a year-to-year basis. Because contributions are made to individual retirement accounts, all contributions received by an employee are 100% vested. The employee may select between several investments options. The District does not guarantee the results of these investments. The District's Board of Commissioners voted to contribute 9.0% of eligible wages for 2024 which amounts to \$65,340. The District's Board of Commissioners votes whether to amend the plan or not.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

(13) Contingencies - Litigation -

The District is involved in lawsuits and claims in the ordinary course of their operations. It is management's opinion that outstanding claims would not have a material effect on the District's operations.

(14) Sales Tax Abatement -

In prior years, the District entered into cooperative endeavor agreements with one economic development district under provisions of the LA.R.S. 33:9038 Sales Tax Increment Financing. Under the provisions of the law, entities may enter into the cooperative endeavor agreements to dedicate a portion or all of the sales tax collected within the economic development district area for the purpose of repaying revenue bonds issued to fund economic development projects within the districts. For the year ended December 31, 2024, the District abated sales taxes totaling \$377,207 under a cooperative endeavor agreement.

- Juban Crossing Economic Development District (JCEDD) – The District entered into a cooperative endeavor agreement with the JCEDD to dedicate 40.00 percent of the District's ½ cent sales tax collected within the JCEDD area for the purposes of repaying revenue bonds issued to fund JCEDD projects. The District is not responsible for maintenance within the JCEDD area while the JCEDD revenue bonds are outstanding. Once the JCEDD revenue bonds are paid in full, the District will start receiving 100 percent of its ½ sales tax collected within the JCEDD area and then will be responsible for the maintenance within the JCEDD area. The abated sales tax amounted to \$377,207 for the year ended December 31, 2024.

(15) Current Year Adoption of New Accounting Standards -

The following statements of the Governmental Accounting Standards Board (GASB) are effective for the District's 2024 fiscal year. The District has adopted and implemented these statements in the preparation of the financial statements for the year ended December 31, 2024.

- During the year, the District adopted GASB Statement No. 99, *Omnibus 2022* – the portion that relates to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, and Statement No. 101 – *Compensated Absences*. These new accounting standards had no material effect on the District's financial statements.

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

(16) Current Accounting Pronouncements -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the District's fiscal year 2024.

1. Statement No. 102 – *Certain Risk Disclosures (2025)*
2. Statement No. 103 – *Financial Reporting Model Improvements (2026)*
3. Statement No. 104 – *Disclosure of Certain Capital Assets (2026)*

Management is currently evaluating the effects of each of the new GASB pronouncements.

(17) Subsequent Events -

Management has evaluated subsequent events and transactions for potential recognition or disclosures in the financial statements through June 13, 2025, the date which the financial statements were available to be issued.

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

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Parish Gravity Drainage
District #1
Denham Springs, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund (the General Fund) of the Livingston Parish Gravity Drainage District #1, (the District) a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2024, 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 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 entity'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 13, 2025

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2024

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weaknesses identified?	<u> </u> Yes	<u> x </u> No
• Significant deficiencies identified?	<u> </u> Yes	<u> x </u> None reported

Noncompliance material to financial statements
noted?

<u> </u> Yes	<u> x </u> No
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Other matter reported?

<u> </u> Yes	<u> x </u> No
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B. Internal Control Over Financial Reporting

None

C. Compliance and Other Matters

None

**LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT #1**

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

A. Internal Control Over Financial Reporting

None.

B. Compliance and Other Matters

None.

LIVINGSTON PARISH GRAVITY DRAINAGE
DISTRICT# 1

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

DECEMBER 31, 2024

Independent Accountant's Report
on Applying Agreed-Upon Procedures
For the Year Ended December 31, 2024

To the Board of Commissioners
Livingston Parish Gravity Drainage
District #1
Denham Springs, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the controls and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Livingston Parish Gravity Drainage District #1's (the District) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. 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:

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. – **No exceptions.**
- 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 excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and – **No exceptions.**

- ii. Observe that finance charges and late fees were not assessed on the selected statements. – **No exceptions.**
- C. Using the monthly statements or combined statements selected under #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 (i.e., each card should have 10 transactions subject to inspection). For each transaction, observe 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny. – **No exceptions.**

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, 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 the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov); – **No exceptions.**
 - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased; – **No exceptions.**
 - 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 Procedure #1A(vii); and – **No exceptions.**
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **No exceptions.**

12) Fraud Notice

- 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. – **No exceptions.**
- B. Observe that 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.**

14) Prevention of Sexual Harassment

- A. Obtain a listing of employees and officials employed during the fiscal year and management's representation that the listing is complete. Randomly select 5 employees/officials and obtain sexual harassment training documentation from management, and observe that 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.**
- B. Observe that 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.**
- 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 it includes the applicable requirements of R.S. 42:344: – **No exceptions.**
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

We were engaged by the District 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 13, 2025