

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
Lafourche Parish Council**

COMPONENT UNIT FINANCIAL STATEMENTS

DECEMBER 31, 2021

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 COMPONENT UNIT FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

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COMPONENT UNIT FINANCIAL STATEMENTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Members of the Board of Commissioners
Fifth Ward Gravity Drainage District
No. 5 of Lafourche Parish
164 West Main
Thibodaux, Louisiana 70301

I have reviewed the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedure to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the budgetary comparison schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been subjected to the procedures applied in the review of the basic financial statements and was compiled from information that is the representation of management. I have not audited the information and do not express an opinion or provide any assurance on such information.

Other Supplementary Information

The schedule of per diem paid to commission members and schedule of compensation, benefits and other payments to the agency head or Chief Executive Officer are presented for purposes of additional analysis and are not part of the basic financial statements. Such information has not been subjected to the procedures applied in the review of the basic financial statements and was compiled from information that is the representation of management without audit or review. I do not express an opinion or provide any assurance on such information.



John L. McKowen, CPA
Baton Rouge, Louisiana
April 30, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)**

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2021**

Managements' Discussion and Analysis (MD&A) is a required component of financial reporting to provide an objective and easily readable analysis of the Fifth Ward Gravity Drainage District No. 5's (hereafter referred to as the District) financial activities based on currently known facts, decisions or conditions. Management has included this narrative overview and analysis of the financial activities of District to hopefully assist users in assessing whether financial position has improved or deteriorated as a result of the year's activities

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's component unit financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District using a perspective similar to that used by the private sector. These statements include a 1) statement of net position and 2) statement of activities. Each statement should distinguish between the governmental and business-type activities of the primary government by reporting each in separate columns. The District has only governmental activity and, therefore, there is only one column presented in the accompanying financial statements.

Statement of Net Position. This statement presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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.

Statement of Activities. This statement presents information showing how the District's net position changed during the most recent 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. This statement is designed to show the District's financial reliance on revenues provided by its taxpayers.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include activities related to drainage.

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

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2021**

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 finance-related legal requirements. These statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The District has only one category of funds: governmental funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

The fund financial statements can be found on pages 13-16 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 index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

Other information. In addition to the component unit financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons. This schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows and balances, stated on the government's budgetary basis.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT

Net position serves as a useful indicator of the District's financial position from year to year. The following is a summary of the District's net position:

**SUMMARY OF NET POSITION
Governmental Activities**

	<u>2021</u>	<u>2020</u>
Assets:		
Current and other assets	\$ 832,054	\$ 679,371
Capital assets, net	<u>164,618</u>	<u>176,298</u>
Total assets	996,672	855,669
Liabilities:		
Current liabilities	1,991	3,594
Net Position:		
Investment in capital assets	164,618	176,298
Unrestricted	<u>830,063</u>	<u>675,777</u>
Total net position	<u>994,681</u>	<u>852,075</u>

Net position increased by \$142,606 or 17% during the year ended December 31, 2021.

The following table provides a summary of the District's changes in net position:

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

	<u>2021</u>	<u>2020</u>
Revenues:		
General revenues:		
Property taxes	\$ 316,843	\$ 308,938
Revenue sharing	11,247	11,263
Investment income	7,452	1,679
Other income	<u>15,000</u>	<u>3,741</u>
Total revenues	350,542	325,621

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2021**

Expenses:		
General government	\$ 21,324	\$ 19,157
Drainage work	<u>186,612</u>	<u>207,644</u>
Total expenses	<u>207,936</u>	<u>226,801</u>
Change in net position	142,606	98,820
Net position, beginning of year	<u>852,075</u>	<u>735,255</u>
Net position, end of year	<u>994,681</u>	<u>852,075</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's revenues for the year ended December 31, 2021 were \$66,319 more than budgeted. Expenditures were \$353,194 less than budgeted. The net result was a favorable variance of \$419,513 compared to budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets, net of accumulated depreciation, for its governmental activities as of December 31, 2021 and 2020, was \$164,618 and \$176,298, respectively.

The District purchased \$24,314 in capital assets during the current year.

A summary of capital assets, net of accumulated depreciation, by major category is as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
Governmental Activities		
	<u>2021</u>	<u>2020</u>
Depreciable Assets:		
Vehicles/boats	\$ 9,179	\$ 13,759
Equipment	<u>155,439</u>	<u>162,529</u>
Total	<u>164,618</u>	<u>176,298</u>

Long-Term Debt. The District remains debt-free as of the end of the current year.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2021**

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

Management is comprised of five Board Commissioners who are appointed by the Lafourche Parish Council. The commissioners do not receive any compensation.

The Board is authorized to open and maintain all natural drains (ditches and canals) in the District where drainage is accomplished by the force of gravity. The District covers the entire 5th Ward of Lafourche Parish. It has two part-time employees.

Prior to entering property for ditch cleaning, the Parish obtains a right-of-way from the landowners. This previously was done by a parish employee. Now it must go before the Parish Council to have a right-of-way accepted. This tremendously slows down the process of scheduling where and when to send the equipment to work. Any landowner in the 5th Ward is entitled to have their canals cleaned by the District.

These employees maintain about 18 miles of major canals and 22 miles of smaller canals and ditches using a boat to spray weeds and an excavator to dig out silt.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Fifth Ward Gravity Drainage District No. 5's finances for all those with an interest in this government's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to our accountants at T. S. Kearns & Co., CPAs, 164 West Main, Thibodaux, Louisiana 70301, 985-447-8507.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 516,610
Receivables, net	315,444
Capital assets, net of accumulated depreciation	<u>164,618</u>
Total Assets	<u>\$ 996,672</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
<u>-</u>	
 <u>LIABILITIES</u>	
Accounts payable	-
Payroll and related payables	<u>1,991</u>
Total Liabilities	<u>\$ 1,991</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
<u>-</u>	
 <u>NET POSITION</u>	
Net investment in capital assets	164,618
Unrestricted	<u>830,063</u>
Total Net Position	<u>\$ 994,681</u>

See accompanying notes and independent accountant's review report.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>			<u>Net Revenues (Expenses)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 21,324	-	-	-	(21,324)
Drainage work	\$ 186,612	-	-	-	(186,612)
Total Governmental Activities	<u>\$ 207,936</u>	-	-	-	<u>\$ (207,936)</u>

General Revenues

Property taxes	316,843
Revenue sharing	11,247
Investment income	7,452
Other income	15,000
Total General Revenues	<u>\$ 350,542</u>
Change in Net Position	142,606
Net Position, beginning	<u>852,075</u>
Net Position, ending	<u>\$ 994,681</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	\$ 516,610
Taxes Receivables, net	315,444
Total Assets	\$ 832,054
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	\$ -
<u>LIABILITIES</u>	
Accounts payable	-
Payroll and related payables	1,991
Total Liabilities	\$ 1,991
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenues - property taxes	\$ 316,843
Unavailable revenues - revenue sharing	11,247
Total Deferred Inflows of Resources	\$ 328,090
<u>FUND BALANCES</u>	
Unassigned	\$ 501,973
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 832,054

See accompanying notes and independent accountant's review report.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2021**

Total Fund Balances - Governmental Funds	\$ 501,973
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	164,618
Some taxes receivable remained uncollected for more than sixty days after year-end and, therefore, are not available to pay current period expenditures	328,090
Total Net Position - Governmental Activities	<u>\$ 994,681</u>

See accompanying notes and independent accountant's review report.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>
<u>REVENUES</u>	
Property taxes	\$ 6,035
Investment income	7,452
Other income	15,000
Total Revenues	\$ 28,487
<u>EXPENDITURES</u>	
Accounting	\$ 11,448
Advertising	113
Auto expense	6,975
Bank charges	34
Insurance	24,291
Material and supplies	28,096
Office supplies and expenses	264
Pension fund/assessors' fees	9,500
Professional fees	2,740
Repairs and maintenance	6,748
Rent	1,200
Salaries and related benefits	79,849
Utilities	684
Capital outlay	24,314
Total Expenditures	\$ 196,256
Net Change in Fund Balances	\$ (167,769)
Fund Balances, beginning	\$ 669,742
Fund Balances, ending	\$ 501,973

See accompanying notes and independent accountant's review report.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
 OF LAFOURCHE PARISH
 LAFOURCHE PARISH COUNCIL
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds	\$	(167,769)
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Amounts reported for governmental activities
 in the Statement of Activities are different because:

<p>Because some taxes will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds. This is the increase in unavailable revenue.</p>	\$	322,055
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<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differed from capital outlay during the year.</p>	\$	(11,680)
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Change in Net Position of Governmental Activities	\$	<u>142,606</u>
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See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
INDEX TO NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

INTRODUCTION

The Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish was created by the Lafourche Parish Council on February 10, 1965, as authorized by Louisiana Revised Statute 38:1751. A Board of five commissioners who are appointed by the Lafourche Parish Council govern the District. The Board of Commissioners has elected to receive no compensation for their services.

The District is authorized to open and maintain all natural drains in the District where drainage is accomplished using the natural force of gravity. This may be accomplished by cutting and opening new drains, ditches and canals. The District covers the entire Fifth Ward of Lafourche Parish and has two part-time employees. It maintains approximately 18 miles of major drainage canals and 22 miles of smaller drainage canals and ditches using a boat to spray weeds and an excavator to dig silt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Governmental Accounting Standards Board (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of significant accounting policies used by the District:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria considered to determine financial accountability includes an organization (1) where the reporting entity has the authority to appoint a voting majority of the organization's governing body and (a) the ability of the reporting entity to impose its will on the organization and/or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity; (2) with fiscal dependence on the reporting entity; and (3) for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
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LAFOURCHE PARISH COUNCIL
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For reporting purposes, the Lafourche Parish Council is the governing authority of the District. Based on the criterion listed above, it is determined that the Fifth Ward Gravity Drainage District No. 5 of Lafourche Parish is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the fund(s) maintained by the District and do not present information of the Police Jury, the general government services provided by that government unit or other governmental units that comprise the reporting entity.

Government-Wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net position and statement of activities. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payables are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the modified cost recovery system over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

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Under the requirements of GASB Statement No. 34, the District is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively. This did not impact the District, as it does not have any infrastructure assets to report.

Program Revenues

The statement of activities presents three categories of program revenues – charges for services and operating or capital grants/contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Because the District does not have any customers, there are no such revenues. Grants and contributions may be operating or capital in nature. The District did not have any such revenues during the year.

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. The District does not have any proprietary funds.

Restricted Net Position

Restricted net position is that for which a constraint has been imposed either externally or by law. The District recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted resources are used.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. The District has only one fund that is considered a governmental fund. The fund classification and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – is the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The type of financial statement presentation determines the accounting and financial treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred, regardless of when the related cash flows take place, in the statement of activities. Non-exchange transactions such as grants are recognized in the year the eligibility requirements are met. In these statements, capital assets are reported and depreciated in each fund.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The District considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: The District prepares an annual budget for the general fund as required by Louisiana Revised Statute 39:1305. It is prepared on a modified accrual basis of accounting. Budget integration was not employed as a management control device during the year, and the original budget was amended during the year. Appropriations lapse at year-end. The District reserves all authority to make changes to the budget.

Cash and Cash Equivalents: Cash includes amounts in demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety 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.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The District did not have any long-term investments at year-end.

Capital Assets: The District's assets are recorded at historical cost. Contributed assets, if any, are reported at estimated fair value at the time of the donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Dragline and related assets	20 years
Boat	20 years
Equipment	3-7 years

The District's capitalization policy includes adding all assets with a value of \$500 or more. However, assets that are less in value may be capitalized if their use will benefit more than one period such as winches and chain saws.

Compensated Absences: The District does not have compensated absences.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

The District did not have any long-term debt at December 31, 2021.

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that is restricted by external sources, such as banks or by law, is reported separately as restricted net position. When assets are required to be retained in perpetuity, these

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net position.

Unrestricted Net Position

This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

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

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2021, the District had cash and cash equivalents on hand (book balances) totaling \$516,610 as follows:

Demand deposits	\$ 27,248
Money market savings	<u>489,362</u>
Total	<u>516,610</u>

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, the pledge of securities owned by the fiscal agent bank, or a letter of credit issued by the Federal Home Loan Bank. In addition to \$250,000 FDIC insurance, the District has been irrevocably allocated \$300,000 of the custodian bank's letter of credit with the Federal Home Loan Bank of Dallas. The District does not have any cash or cash equivalents exposed to credit risk.

NOTE 3 – RECEIVABLES

The following is a summary of receivables at December 31, 2021:

Ad valorem taxes	\$ <u>315,444</u>
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The District accrues ad valorem taxes in the amount collected by the Sheriff yet remitted to the District after year-end. Some collections are remitted to the District during the year for delinquent taxes, but this amount is immaterial. Therefore, no bad debts or write-offs are recorded in the accompanying financial statements. By closing out the prior year receivables, amounts considered uncollectible are substantially written-off.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, being depreciated				
Vehicles/Boat	\$ 92,205	\$ -	\$ -	\$ 92,205
Less: accumulated depreciation	<u>78,436</u>	<u>4,590</u>	-	<u>83,026</u>
Net Vehicles/Boats	13,769	(4,590)	-	9,179
Equipment	475,868	24,314	-	500,182
Less: accumulated depreciation	<u>313,339</u>	<u>31,404</u>	-	<u>344,743</u>
Net Equipment	<u>162,529</u>	<u>(7,090)</u>	-	<u>155,439</u>
Net Capital Assets, being depreciated	<u>176,298</u>	<u>(11,680)</u>	-	<u>164,618</u>

Depreciation expense was charged to governmental functions as follows:

Drainage work	\$ <u>35,994</u>
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NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of governmental activity payables at December 31, 2021:

Class of Payables

Accounts (trade)	\$ -
Payroll and related expenses	<u>1,991</u>
Total	<u>\$ 1,991</u>

NOTE 6 – PENSION PLAN

The employees of the District participate in the federal social security and Medicare program, in which the District matches the employee's contribution by 7.65% of gross salary. No other type of retirement plan is offered.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

The District does not provide any post-employment benefits to its employees.

NOTE 8 – LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Maintenance	4.62	4.16

NOTE 9 – PAYMENTS BY OTHER GOVERNEMENTAL UNITS

Certain operating expenditures of the District are paid by the Lafourche Parish Police Jury. These expenditures include fuel for trucks and a boat. Because the cost of the materials is immaterial, it is not reported in the accompanying financial statements.

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure in the accompanying financial statements.

NOTE 11 – LITIGATION AND CLAIMS

There was no litigation that would require disclosure or reporting in the accompanying financial statements. The District is not aware of any potential or threatened claims.

NOTE 12 – SUBSEQUENT EVENTS

There were no subsequent events that would have a material effect on the accompanying financial statements that occurred between the close of the year and issuance of the financial statements on April 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)**

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 268,282	\$ 268,282	316,843	48,561
Revenue sharing	11,200	11,200	11,247	47
Interest income	1,000	1,000	7,452	6,452
Other income	3,741	3,741	15,000	11,259
Total Revenues	284,223	284,223	350,542	66,319
EXPENDITURES				
Accounting & legal	7,000	7,000	11,448	(4,448)
Advertising	500	500	113	387
Auto/fuel expense	7,500	7,500	6,975	525
Bank charges	50	50	34	16
Insurance	12,000	12,000	24,291	(12,291)
Material and supplies	25,000	25,000	28,096	(3,096)
Office supplies	400	400	264	136
Payroll	84,000	84,000	79,849	4,151
Professional fees	-	-	2,740	(2,740)
Rent	8,000	8,000	1,200	6,800
Repairs and maintenance	30,000	30,000	6,748	23,252
Sheriff's Pension Fund	-	-	9,500	(9,500)
Utilities	-	-	684	(684)
Capital outlay	375,000	375,000	24,314	350,686
Total Expenditures	549,450	549,450	196,256	353,194
Net Change in Fund Balances	(265,227)	(265,227)	154,286	419,513
Fund Balance, beginning	669,742	669,742	669,742	
Fund Balance, ending	404,515	404,515	824,028	

See accompanying notes and independent accountant's review report.

SUPPLEMENTARY INFORMATION

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
SCHEDULE OF PER DIEM PAID TO COMMISSION MEMBERS
YEAR ENDED DECEMBER 31, 2021**

The members of the board of commissioners receive no per diem for their service to the District.

See accompanying notes and independent accountant's review report.

**FIFTH WARD GRAVITY DRAINAGE DISTRICT NO. 5
OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2021**

AGENCY HEAD NAME: Wade Knight

Mr. Knight received no compensation, benefits or other payments from the District in 2021.

See accompanying notes and independent accountant's review report.

John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
jlmckowen@cox.net

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

To Fifth Ward Drainage District No. 5 of Lafourche Parish
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the Fifth Ward Drainage District No. 5 of Lafourche Parish (District)'s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021 as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

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 District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021. Additionally, the Louisiana Legislative Auditor 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code), R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials or supplies exceeding \$30,000, or public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Member

*American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants*

The list was obtained.

3. Obtain a list of all employees paid during the fiscal year.

The list was obtained.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

No employees' names appear on both lists obtained in Procedures 2 and 3.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Both lists were obtained and no vendors appeared on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

A copy of the budget was obtained. There were no amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The minutes of the September 3, 2020 Commission meeting document the adoption of the 2021 budget.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Neither revenues nor expenses varied negatively from budgeted amounts by more than 5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Six disbursements were randomly selected. All agreed to the amount and payee in the supporting documentation, were coded to the correct fund and general ledger account, and were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Evidence supports that agendas for meetings recorded in the minute book were posted as required without exception.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

Bank deposit slips for the fiscal year were obtained. None of the deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

The documents were obtained. No payments or approval of payments to employees that may constitute bonuses, advances, or gifts were identified.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represents that the agency did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

There were no prior-year suggestions, recommendations, and/or comments to be resolved.

I was engaged by the District to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA
Baton Rouge, Louisiana
April 30, 2022

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)
John L. McKowen (CPA Firm Name)
2178 Myrtle Avenue (CPA Firm Address)
Baton Rouge, Louisiana 70806 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of _____ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No N/A

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No N/A

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No N/A

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No N/A

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No N/A

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [] N/A []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [] N/A []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose


to you any such communication received between the end of the period under examination and the date of your report.

Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge.

	Secretary _____	Date _____
_____	Treasurer _____	Date _____
_____	President _____	Date _____