

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9
HACKBERRY, LOUISIANA

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

January 29, 2022

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Cameron Parish Gravity Drainage District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Cameron Parish Gravity Drainage District No. 9's financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Cameron Parish Gravity Drainage District No. 9 as of December 31, 2020, and the respective changes in financial position and the cash flows thereof for the year then ended 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 the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability and schedule of employer contributions on pages 34 through 37 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 considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Cameron Parish Gravity Drainage District No. 9's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2022, on our consideration of Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting and compliance.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Statement of Net Position

December 31, 2020

ASSETS	
Cash	\$ 362,158
Receivables	571,907
Pension asset	11,580
Capital assets, net	101,760
Total assets	<u>1,047,405</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>16,157</u>
LIABILITIES	
Accounts payables	5,454
Accrued liabilities	278
Net OPEB obligation	26,779
Total liabilities	<u>32,511</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>26,054</u>
NET POSITION	
Net investment in capital assets	101,760
Unrestricted	903,237
	<u>\$ 1,004,997</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Statement of Activities

Year Ended December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:				
General government	\$ 229,644	\$ -	\$ -	\$ (229,644)
		General Revenues:		
			Property taxes, net	563,525
			Interest	74
			Total General Revenues	<u>563,599</u>
			Change in Net Position	<u>333,955</u>
			Net Position, beginning	<u>671,042</u>
			Net Position, ending	<u>\$ 1,004,997</u>

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

FUND FINANCIAL STATEMENTS

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Balance Sheet - Governmental Fund

December 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 362,158	\$ 354,466
Receivables		
Ad valorem taxes (net)	571,907	228,161
Total assets	<u>934,065</u>	<u>582,627</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>-</u>	 <u>-</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ 934,065</u>	 <u>\$ 582,627</u>
 LIABILITIES		
Accounts payable	\$ 5,454	\$ 2,179
Total liabilities	<u>5,454</u>	<u>2,179</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>-</u>	 <u>-</u>
 FUND BALANCES		
Unassigned	928,611	580,448
Total fund balances	<u>928,611</u>	<u>580,448</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 934,065</u>	 <u>\$ 582,627</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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

December 31, 2020

Total fund balance for governmental fund at December 31, 2020		\$	928,611
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Capital assets, net of \$78,419 accumulated depreciation			101,760
Deferred outflows and inflows for pension resources are not financial resources or currently payable:			
Deferred inflows related to pensions	\$	(25,219)	
Deferred outflows related to pensions		<u>7,745</u>	(17,474)
Deferred outflows and inflows for OPEB resources are not financial resources or currently payable:			
Deferred inflows related to OPEB		(835)	
Deferred outflows related to OPEB		<u>8,412</u>	7,577
Accrued Compensated Absences			(278)
Long-term debt which is not included as a liability in the governmental fund type balance sheet:			
Net OPEB obligation		(26,779)	
Net pension asset (liability)		<u>11,580</u>	<u>(15,199)</u>
Total net position of governmental activities at December 31, 2020		\$	<u>1,004,997</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUES		
Ad valorem taxes - net	\$ 563,525	\$ 235,306
Interest	74	74
TOTAL REVENUES	<u>563,599</u>	<u>235,380</u>
EXPENDITURES		
General Government		
Advertising	270	415
Contract Labor	12,300	9,600
Drainage Costs	19,224	14,459
Equipment Rental	-	31,670
Equipment Repair	130	2,902
Fuel	2,927	9,554
Insurance	3,791	3,802
Health Insurance	25,678	24,166
Office Expense	349	138
Payroll & Related	62,979	64,915
Pension Expense	7,490	7,037
Per diem	7,300	7,800
Professional fees	5,000	4,500
Repairs & Maintenance	697	26,972
Spraying	34,375	8,164
Supplies	24,002	1,811
Utilities	731	154
Vehicle Expense	17	511
Capital Outlay	8,176	-
TOTAL EXPENDITURES	<u>215,436</u>	<u>218,570</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	348,163	16,810
FUND BALANCE - BEGINNING	<u>580,448</u>	<u>563,638</u>
FUND BALANCE - ENDING	<u>\$ 928,611</u>	<u>\$ 580,448</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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

Year Ended December 31, 2020

Total net changes in fund balance at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 348,163
The change in net position reported for governmental activities in the statement of activities different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 8,176	
Depreciation expense for the year ended December 31, 2020	<u>(19,110)</u>	(10,934)
Compensated absences not paid from current year resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent current year expenditures.		
		(265)
Net pension expense is reported in the governmental funds as expenditures as they are paid, however, in the statement of activities the net position expense is reported according to estimates required by GASB 68:		
Pension expense paid	7,490	
Pension expense per GASB 68	<u>(9,133)</u>	(1,643)
In the Statement of Activities, post employment benefits are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used (essentially the amount actually paid).		
		<u>(1,366)</u>
Total changes in net position at December 31, 2020 per Statement of Activities		<u>\$ 333,955</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 64, the Recreation District No. 6 of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the District.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

Based upon the application of these criteria, Cameron Parish Gravity Drainage District No. 9 is a component unit of the Cameron Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

3. Measurement Focus/Basis of Accounting

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets.

Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

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

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Cash

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2020, the District had \$368,221 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 by federal deposit insurance and \$118,221 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. Budgets

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

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

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

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

The budget was not amended during 2020.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Accounts Receivable

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

7. Capital Assets

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

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

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

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

8. Compensated Absences

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At December 31, 2020 the District's liability for compensated absences is \$278.

9. Estimates

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

10. Equity Classification

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

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

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

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

11. Subsequent Events

Management has evaluated subsequent events through January 29, 2022, the date the financial statements are available for issue.

12. Comparative Data

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

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2020, taxes were levied on property with taxable assessed valuations as follows:

	<u>General Purposes</u>
Assessed valuation	\$ 130,606,994
Mileage	4.44
Total taxes levied	\$ 579,896

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Buildings	\$ 35,895	\$ 4,468	\$ -	\$ 40,363
Vehicles	36,462	-	-	36,462
Equipment	<u>99,646</u>	<u>3,708</u>	-	<u>103,354</u>
Totals at historical cost	172,003	8,176	-	180,179
Less accumulated depreciation	<u>59,309</u>	<u>19,110</u>	-	<u>78,419</u>
Governmental activities capital assets, net	<u>\$ 112,694</u>	<u>\$ (10,934)</u>	<u>\$ -</u>	<u>\$ 101,760</u>

NOTE D - PER DIEM

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

Hardin, Wesley	\$ 1,500
Stansel, Bobby	1,600
Gremillion, Gordon	1,600
Aucoin, Will	1,100
Desormeaux, Jared	<u>1,500</u>
	<u>\$ 7,300</u>

NOTE E - RISK MANAGEMENT

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE F – TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Cameron Parish Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2020, \$1,656,226,677 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$7,353,646 in ad valorem taxes.

NOTE G – COMMITMENTS AND CONTINGENCIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the District's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. The full extent of damages to the District's facilities or effects on operations have not been determined.

NOTE H - RETIREMENT COMMITMENTS

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

Parochial Employees' Retirement System

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE H - RETIREMENT COMMITMENTS – CONTINUED

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

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

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2020 totaled \$7,490.

At December 31, 2020, the District reported an asset of \$11,580 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the District's proportion was .0066044%.

For the year ended December 31, 2020, the District recognized pension expense of \$1,643 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$306. At December 31, 2020, the District reported deferred outflows of resources and deferred

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE H - RETIREMENT COMMITMENTS – CONTINUED

inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,819	\$ 1,382
Difference between expected and actual investment	-	22,601
Difference between expected and actual assumption	3,789	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	1,137	1,236
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 7,745</u>	<u>\$ 25,219</u>

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ 4,789
2022	1,565
2023	7,122
2024	3,998
2025	-
Thereafter	-

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE H - RETIREMENT COMMITMENTS - CONTINUED

Actuarial methods and assumption. The total pension liability in the December 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75
Cost of Living Adjustments	The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE H - RETIREMENT COMMITMENTS – CONTINUED

Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Total	100%	5.00%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.00%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent of the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by suing a set back of

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE H - RETIREMENT COMMITMENTS – CONTINUED

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

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

	Changes in Discount Rate 2020		
	1%	Current	1%
	Decrease 5.40%	Discount Rate 6.40%	Increase 7.40%
Net Pension Liability (Asset)	\$ 24,280	\$ (11,580)	\$ (41,613)

NOTE I – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

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

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE 1 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - CONTINUED

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

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

Total OPEB Liability

Gravity Drainage’s total OPEB liability of \$26,779 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.12% annually which is the Bond Buyer 20-Bond General Obligation Index on the Measurement Date. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5% (0% while on Medicare)
Retirement age	4 years after eligibility
Mortality	SOA RP-2014 Combined Mortality Table

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2010 to December 31, 2020.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

NOTE 1 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - CONTINUED

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$ 20,870
Changes for the year:	
Service cost	1,757
Interest	540
Differences between expected and actual experience	3,155
Changes in assumptions	457
Benefit payments and net transfers	-
Net changes	<u>5,909</u>
Balance at December 31, 2020	<u>\$ 26,779</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of Gravity Drainage, as well as what Gravity Drainage’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 31,215	\$ 26,779	\$ 23,180

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 9

Notes to Basic Financial Statements

December 31, 2020

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 23,668	\$ 26,779	\$ 30,633

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

For the year ended December 31, 2020, Gravity Drainage recognized OPEB expense of \$1,366. At December 31, 2019, Gravity Drainage reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,709	\$ -
Changes in assumptions	2,703	(835)
Total	\$ 8,412	\$ (835)

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

Years ending December 31:	
2021	814
2022	814
2023	814
2024	814
2025	814
Thereafter	3,505

REQUIRED SUPPLEMENTAL INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Budgetary Comparison Schedule

Year Ended December 31, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes - net	\$ 235,000	\$ 563,525	\$ 328,525
Interest	100	74	(26)
Intergovernmental - FEMA	-	-	-
TOTAL REVENUES	<u>235,100</u>	<u>563,599</u>	<u>328,499</u>
EXPENDITURES			
General Government			
Advertising	400	270	130
Contract Labor	8,400	12,300	(3,900)
Drainage Costs	50,000	19,224	30,776
Equipment Repair	1,000	130	870
Equipment Rental	25,000	-	25,000
Fuel	5,000	2,927	2,073
Insurance	5,100	3,791	1,309
Health Insurance	-	25,678	(25,678)
Office Expense	500	349	151
Payroll and Related Expenses	88,000	62,979	25,021
Pension Expense	-	7,490	(7,490)
Per diem	9,000	7,300	1,700
Professional and Legal	5,000	5,000	-
Repairs and Maintenance	-	697	(697)
Spraying	-	34,375	(34,375)
Supplies	4,000	24,002	(20,002)
Utilities	100	731	(631)
Vehicle Expense	-	17	(17)
Capital Outlay	100,000	8,176	91,824
TOTAL EXPENDITURES	<u>301,500</u>	<u>215,436</u>	<u>86,064</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(66,400)	348,163	414,563
FUND BALANCE - BEGINNING	<u>580,448</u>	<u>580,448</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 514,048</u></u>	<u><u>\$ 928,611</u></u>	<u><u>\$ 414,563</u></u>

OTHER INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

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

Year Ended December 31, 2020

Wesley Hardin, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	1,500
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 1,757	\$ 2,554	\$ 1,367
Interest	540	623	455
Changes of benefit terms			-
Differences between expected and actual experience	3,155	1,342	32
Changes of assumptions	457	3,048	(1,103)
Benefit payments	-	-	-
Net change in total OPEB Liability	<u>5,909</u>	<u>7,567</u>	<u>751</u>
Total OPEB liability - beginning	<u>20,870</u>	<u>13,303</u>	<u>12,552</u>
Total OPEB liability - ending (a)	<u>\$ 26,779</u>	<u>\$ 20,870</u>	<u>\$ 13,303</u>
Covered-employee payroll	\$ 62,107	\$ 63,851	\$ 54,988
Net OPEB liability as a percentage of covered-employee payroll	43.12%	32.69%	24.19%

Notes to Schedule:

Benefit change

Changes of assumptions:

None

None

None

Discount rate:

2.12%

2.74%

4.10%

Mortality:

RP-2014

RP-2000

RP-2000

Trend:

5.5%

5.5%

Variable

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2020

Parochial Employees' Retirement System of Louisiana

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Employer's portion of the net pension liability (asset)	0.00660%	0.00686%	0.00617%
Employer's proportionate share of the net pension liability (asset)	\$ (11,580)	\$ 30,440	\$ (8,120)
Employer's covered payroll	\$ 62,107	\$ 63,851	\$ 54,988
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-18.65%	47.67%	-14.77%
Plan fiduciary net position as a percentage of the total pension liability	104.00%	88.86%	101.98%

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

*The amounts presented have a measurement date of December 31, 2020.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Schedule of Employer Contributions

Year Ended December 31, 2020

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Parochial Employees' Retirement System of Louisiana					
2018	\$ 6,593	\$ 6,593	\$ -	\$ 54,988	12.0%
2019	\$ 7,037	\$ 7,037	\$ -	\$ 63,851	11.0%
2020	\$ 7,490	\$ 7,490	\$ -	\$ 62,107	12.1%

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

January 29, 2022

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Cameron Parish Gravity Drainage District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Cameron Parish Gravity Drainage District No. 9's basic financial statements, and have issued our report thereon dated January 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Parish Gravity Drainage District No. 9's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cameron Parish Gravity Drainage District No. 9's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Gravity Drainage District No. 9'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Parish Gravity Drainage District No. 9's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Cameron Parish Gravity Drainage District No. 9's Response to Findings

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

Purpose of this Report

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

Dragan, Casiday: Skully

CAMERON PARISH GRAVITY DRAINAGE DISTRICT #9

Schedule of Findings and Responses

Year Ended December 31, 2020

I - Summary of Auditors' Results

- 1. An unmodified report was issued on the basis financial statements.
- 2. Internal control over financial reporting:
 - Material weaknesses(es) identified? yes no
 - Control deficiencies identified that are
not considered to be material weakness(es)? yes none reported
 - Noncompliance material to financial
statements noted? yes no

II – Financial Statement Findings

Finding #2020-001:

Inadequate Segregation of Duties

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

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

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

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

III – Federal Award Findings and Questioned Costs

N/A

IV – Prior Year Audit Findings

None