

**SQUIRREL RUN LEVEE AND
DRAINAGE DISTRICT**

New Iberia, Louisiana

Financial Report

Year Ended December 31, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners
Squirrel Run Levee and Drainage District
New Iberia, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Squirrel Run Levee and Drainage District (hereinafter "District"), a component unit of the City of New Iberia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. 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, we 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

Our 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 and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

As explained in Note 1 to the financial statements, the District has not recorded capital assets donated to the District upon its creation, established estimated useful lives, nor calculated and recorded related depreciation. Accounting principles generally accepted in the United States of America (GAAP) require donated capital assets initially be reported at their acquisition value, as defined in standard. GAAP also requires the systematic recognition of the cost of capital assets over their estimated useful lives, unless they are inexhaustible. Management believes the amount by which this departure would affect the assets, net position, and expenses of the governmental activities is not reasonably determinable.

Qualified Conclusion

Based on our review, except for the issue noted in the Basis for Qualified Conclusion paragraph, we are 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 budgetary comparison schedules be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The budgetary comparison schedule, as listed in the table of contents, is the responsibility of management. The schedule was not audited or reviewed, and we do not express an opinion, a conclusion, nor provide any assurance on it.

The District has omitted the 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 25, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 102,105
Receivables -	
Ad valorem taxes	60,572
Due from other governments	<u>250,000</u>
Total current assets	<u>412,677</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>327,793</u>
Total assets	<u>740,470</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	33,021
Noncurrent liabilities:	
Due within one year-	
Bonds payable	31,750
Due in more than one year-	
Bonds payable	<u>339,250</u>
Total liabilities	<u>404,021</u>
NET POSITION	
Restricted for-	
Debt service	6,352
Capital projects	66,283
Unrestricted	<u>263,814</u>
Total net position	<u>\$ 336,449</u>

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

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Statement of Activities
Year Ended December 31, 2023

	<u>Governmental Activities</u>
EXPENSES	
Public works and drainage	\$ 22,827
Interest on debt	<u>24,938</u>
Total governmental activities	<u>47,765</u>
PROGRAM REVENUES	
Capital grants and contributions	<u>250,000</u>
Net program revenues	202,235
GENERAL REVENUES	
Ad valorem taxes	64,204
Interest income	<u>215</u>
Total general revenues	<u>64,419</u>
Change in net position	266,654
Net position, beginning	<u>69,795</u>
Net position, ending	<u>\$ 336,449</u>

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

FUND FINANCIAL STATEMENTS

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Balance Sheet
Governmental Funds
December 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ 6,352	\$ 95,753	\$ 102,105
Receivables -				
Ad valorem taxes	60,572	-	-	60,572
Due from other governments	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total assets	<u>\$ 310,572</u>	<u>\$ 6,352</u>	<u>\$ 95,753</u>	<u>\$ 412,677</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,470</u>	<u>\$ 29,470</u>
Deferred inflows of resources:				
Unavailable revenues	<u>51,077</u>	<u>-</u>	<u>-</u>	<u>51,077</u>
Fund balances:				
Restricted	-	6,352	66,283	72,635
Unassigned	<u>259,495</u>	<u>-</u>	<u>-</u>	<u>259,495</u>
Total fund balances	<u>259,495</u>	<u>6,352</u>	<u>66,283</u>	<u>332,130</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 310,572</u>	<u>\$ 6,352</u>	<u>\$ 95,753</u>	<u>\$ 412,677</u>

(continued)

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT

Balance Sheet (continued)
Governmental Funds
December 31, 2023

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total fund balances for governmental funds at December 31, 2023		\$ 332,130
Cost of capital assets:		
Capital assets, net of accumulated depreciation		327,793
Long-term liabilities:		
Bonds payable	(371,000)	
Accrued interest payable	<u>(3,551)</u>	(374,551)
Deferred inflows related to unavailable revenues		<u>51,077</u>
Total net position of governmental activities at December 31, 2023		<u>\$ 336,449</u>

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

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 64,204	\$ -	\$ -	\$ 64,204
Intergovernmental	198,923	-	-	198,923
Interest income	13	-	202	215
Total revenues	<u>263,140</u>	<u>-</u>	<u>202</u>	<u>263,342</u>
Expenditures:				
Current -				
Public works and drainage	21,567	-	1,260	22,827
Debt service -				
Principal	-	29,000	-	29,000
Interest and fiscal charges	-	21,387	-	21,387
Capital Outlay	-	-	327,793	327,793
Total expenditures	<u>21,567</u>	<u>50,387</u>	<u>329,053</u>	<u>401,007</u>
Excess (deficiency) of revenues over expenditures	241,573	(50,387)	(328,851)	(137,665)
Other financing sources (uses):				
Transfers in	-	56,739	-	56,739
Transfers out	(56,739)	-	-	(56,739)
Total other financing sources (uses)	<u>(56,739)</u>	<u>56,739</u>	<u>-</u>	<u>-</u>
Net change in fund balances	184,834	6,352	(328,851)	(137,665)
Fund balances, beginning	<u>74,661</u>	<u>-</u>	<u>395,134</u>	<u>469,795</u>
Fund balances, ending	<u>\$ 259,495</u>	<u>\$ 6,352</u>	<u>\$ 66,283</u>	<u>\$ 332,130</u>

(continued)

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Governmental Funds
Year Ended December 31, 2023

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

Net change in fund balances - governmental funds	\$ (137,665)
Cost of capital asset additions	327,793
Principal payments	29,000
Accrued interest	(3,551)
Unavailable revenues	<u>51,077</u>
Total changes in net position at December 31, 2023 per statement of activities	<u>\$ 266,654</u>

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

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements

INTRODUCTION

The Squirrel Run Levee and Drainage District (hereinafter, "District") was established under the provisions of LSA-RS 38:291. The purpose of the District is acquiring, operating, and maintaining servitudes and works necessary for drainage as it relates to hurricane protection and flood control in the area specified in its creation ordinance.

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the District's executive and legislative branches (the Board of Commissioners). Control by or dependence on the District was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The District is an integral part of the Parish of Iberia.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for each function 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 for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

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 functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category: governmental. The minimum number of funds is maintained consistent with legal and managerial requirements. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten (10) percent of the corresponding total for all governmental funds. The general and capital projects funds of the District are considered to be the major funds.

The funds of the District are described below:

Governmental Funds –

General Fund

The General Fund, as provided by Louisiana Revised Statutes is the principal fund of the District and is used to account for the operations of the District. The District's primary source of revenue is ad valorem taxes collected and remitted by the Iberia Parish Sheriff. General operating expenditures are paid from this fund.

Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District's capital project fund is used to account for proceeds of a bond issuance and related project costs.

Debt Service Fund

The District's debt service fund is used to account for matching revenues and debt services on the Bonds.

C. 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.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

1. Governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available expendable financial resources during a given period. Governmental funds use fund balance as its measure of available expendable financial resources at the end of the period.
2. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental 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 District 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.

D. Assets, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

For the purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District.

Receivables

All receivables are shown net of an allowance account, as applicable.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. When determinable, donated assets are recorded as capital assets at acquisition value at the date of donation. As of December 31, 2023, the District has not recorded the value of donated assets. The District has not established a threshold for capitalizing assets.

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

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 position. Depreciation is provided over the asset's 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	25-40 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Deferred Inflows of Resources

The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in fund balance that applies to a future period. The District will not recognize the related revenues until a future event occurs. One type of deferred inflow occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting, which qualifies for reporting in this category.

Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in three components

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

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

Fund Financial Statements

Fund balance for the District's governmental fund is displayed in the following classifications depicting the relative strength of the spending constraints places on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through formal actions by the Board of Commissioners.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Only the Board of Commissioners may assign amounts for specific purposes.
5. Unassigned - amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners have provided otherwise in its commitment or assignment actions.

E. Expenditures and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual government funds have been eliminated.

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks having principal offices in Louisiana. At December 31, 2023, the District has cash and interest-bearing deposits (book balances) totaling \$102,105.

The District's deposits are stated at cost, which approximates market. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or the District will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At year-end, the carrying amount of the District deposits was \$376,638. As of December 31, 2023, deposits in the amount of \$126,638 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property within the District's taxing area as of January 1 of each year. Taxes were levied by the District in August and are actually billed to taxpayers in November and December. Billed taxes become delinquent on January 1 of the following year. The Iberia Parish Sheriff bills and collects the District's property taxes using the assessed values determined by the tax assessor of Iberia Parish.

For the year ended December 31, 2023, taxes of 17.00 mills were levied on property with assessed valuations totaling \$4,010,965, excluding those properties subject to the homestead exemption. Total taxes billed were \$68,186.

(4) Capital Assets

Capital asset activity for the District for the year ended December 31, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Improvements	\$ -	\$ 327,793	\$ -	\$ 327,793
Less accumulated depreciation:				
Improvements	-	-	-	-
Total capital assets, net	<u>\$ -</u>	<u>\$ 327,793</u>	<u>\$ -</u>	<u>\$ 327,793</u>

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

(5) Long-Term Debt

During year ended December 31, 2023, the following changes occurred in long-term debt:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental activities-					
Direct placement:					
Limited tax revenue bonds	\$ 400,000	\$ -	\$ 29,000	\$ 371,000	\$ 31,750

Bonds payable at December 31, 2023, is comprised of the following issue:

\$400,000 limited tax revenue bonds, Series 2022, issued April 28, 2022 for acquisition and construction of flood control works, payable in annual installments of \$29,000 to \$51,000 through April 1, 2032, with an interest rate of 3.85% . \$ 371,000

The limited tax revenue bond issue is secured by a pledge and dedication of an ad valorem tax and will be liquidated by the assessment and collection of the tax through the District's debt service fund.

The annual debt service requirements to maturity of all bonds outstanding at December 31, 2023, follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 31,750	\$ 13,672	\$ 45,422
2025	34,500	12,397	46,897
2026	37,250	11,016	48,266
2027	40,000	9,529	49,529
2028	42,750	7,936	50,686
2029-2032	184,750	13,961	198,711
	\$ 371,000	\$ 68,511	\$ 439,511

(6) Board of Commissioners

Members of the Board of Commissioners of the District at December 31, 2023 are as follows:

Rene Simon
Wayne Ducote
Burton Cestia, Jr.
Lizabeth Clarke
Richard Romero

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Financial Statements (continued)

Board members serve with no compensation. Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. The District's president, Rene Simon, received no compensation reimbursements, benefits or other payments.

(7) 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; and natural disasters. The District has retained the risk of losses.

(8) New Accounting Pronouncements

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the District's financial report:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This standard is effective for annual reporting periods beginning after June 15, 2023. The effect of standard or its applicability to the District is unknown at this time.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard is effective for annual reporting periods beginning after December 15, 2023. The effect of standard or its applicability to the District is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT

General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 65,000	\$ 65,000	\$ 64,204	\$ (796)
Intergovernmental	-	-	198,923	198,923
Interest earned	150	150	13	(137)
Total revenues	<u>65,150</u>	<u>65,150</u>	<u>263,140</u>	<u>197,990</u>
Expenditures:				
Current -				
Drainage works:				
Generator and fuel	5,000	5,000	2,525	2,475
Levee and pump maintenance	8,500	8,500	8,486	14
Accounting services	7,300	7,300	7,205	95
Miscellaneous	4,500	4,500	3,351	1,149
Total drainage works	<u>25,300</u>	<u>25,300</u>	<u>21,567</u>	<u>3,733</u>
Excess of revenues over expenditures	39,850	39,850	241,573	194,257
Other financing uses				
Transfers out	<u>(50,387)</u>	<u>(50,387)</u>	<u>(56,739)</u>	<u>(6,352)</u>
Net change in fund balance	(10,537)	(10,537)	184,834	187,905
Fund balance, beginning	<u>74,661</u>	<u>74,661</u>	<u>74,661</u>	<u>-</u>
Fund balance, ending	<u>\$ 64,124</u>	<u>\$ 64,124</u>	<u>\$ 259,495</u>	<u>\$ 187,905</u>

See independent accountant's review report and notes to budgetary comparison schedule.

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Notes to Budgetary Comparison Schedule

Budgetary Basis

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Commissioners.

Budgetary Practice

Annually, the District adopts a budget for the General Fund. Formal budgetary integration is employed as a management control device during the year. The budget is prepared on the modified accrual basis. All budgetary appropriations lapse at the end of each fiscal year. Budgetary control is exercised at the fund level.

REQUIREMENTS OF THE *LOUISIANA GOVERNMENTAL AUDIT GUIDE*

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners,
Squirrel Run Levee and Drainage District, and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the compliance of the Squirrel Run Levee and Drainage District (hereinafter "the District") with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire (Exhibit A) during the year ended December 31, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The management of the District is responsible for its financial records and compliance with applicable laws and regulations.

An agreed-upon procedures engagement involves the performing of specific procedures that the District has agreed to and acknowledged to be appropriate to meet the intended purpose of understanding the District's compliance with certain laws and regulations contained in the accompanying Louisiana Compliance Questionnaire (Exhibit A) and report on exceptions based on the procedures performed. Additionally, the Louisiana Legislative Auditor (LLA) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions, if any, are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000, 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) or R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the Office of State Purchasing, whichever is applicable, and report whether the expenditures were made in accordance with these laws.

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

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of immediate family members of the board members and employees as defined by RS 42:1101-1124 (the ethics law).

Management provided us with the required list.

3. Obtain a list of all employees paid during the fiscal year.
The District had no employees during the fiscal year.
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.
Not applicable – the District had no employees during the fiscal year.
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of the board members, employees, and the board members' and employees' immediate families. Report whether any vendors appear on both lists.
Obtained a listing of all disbursements made during the year and a listing of outside business interest of the board members and board members' immediate families. No vendors appeared on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.
Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.
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.
Traced adoption of the original budget to documentation in the minutes of the Board of Commissioners.
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 five percent (5%) or more, and whether actual expenditures exceeded budgeted amounts by five percent (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 ten percent (10%) or more per category or five percent (5% or more in total).
No exceptions were identified as a result of applying this procedure

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;
No exceptions were identified as a result of applying this procedure.
 - b) report whether the six disbursements are coded to the correct fund and general ledger account; and
No exceptions were identified as a result of applying this procedure.
 - c) report whether the six disbursements were approved in accordance with management's policies and procedures.
No exceptions were identified as a result of applying this procedure.

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.
No exceptions were identified as a result of applying this procedure.

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 banks 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.

We obtained copies of all bank deposit slips for the fiscal year and identified no deposits that 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.

Not applicable – the District had no payroll disbursements for the fiscal year.

State Audit Law

13. Report whether the District provided for a timely report in accordance with RS 24:513.

The District provided for a timely report in accordance with RS 24:513.

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

Management represented the District entered into no contracts that utilized state funds as defined in RS 39:72.1A.(2); and that were subject to public bid law (RS 38:2211, et seq.), while the District was not in compliance with RS 24:513 (the audit law).

Prior Comments

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

Management represented that prior year suggestions, recommendations and/or comments have been resolved.

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our agreed-upon procedures engagement.

The purpose of this report is 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 (Exhibit A), as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the management of the District and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 25, 2024

SQUIRREL RUN LEVEE AND DRAINAGE DISTRICT
New Iberia, Louisiana

Schedule of Current and Prior Findings
Year Ended December 31, 2023

Findings reported in accordance with *Government Auditing Standards*

2023-001 – Debt Reserve Requirement

Year Initially Occurring: 2023

CONDITION: The District’s debt service fund does not maintain the required reserve balance.

CRITERIA: The District’s Limited Tax Revenue Bonds, Series 2022 agreement states, in part, “all avails or proceeds of the tax for each tax roll year shall be set aside in the Debt Service Fund until such time as there is on deposit in the Debt Service Fund sufficient proceeds of the tax to pay all principal and interest falling due on the Bonds in the ensuing year.”

CAUSE: The District allocated proceeds of pledged ad valorem taxes to operations and maintenance transferring only the remaining proceeds to the debt service fund for accumulation of reserves.

EFFECT: The District may not be compliant with certain provisions of debt covenants.

RECOMMENDATION: We recommend that the District adhere to the requirements of the debt agreement by transferring tax proceeds to the debt service fund until principal and interest payments for the ensuing bond year have been accumulated. The tax may then be utilized for purposes initially levied.

Prior Findings

No items were previously reported.

LOUISIANA ATTESTATION QUESTIONNAIRE
Exhibit A

Squirrel Run Levee and Drainage District
Louisiana Attestation Questionnaire
Year Ended December 31, 2023

Kolder, Slaven & Company, LLC, CPAs
Post Office Box 3438
Morgan City, Louisiana 70381

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below as of December 31, 2023 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 public bid law, R.S. Title 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.



President



Secretary

May 7, 2024
Date

CORRECTIVE ACTION PLAN FOR CURRENT FINDINGS
Exhibit B

Squirrel Run Levee and Drainage District

1810 Squirrel Run Drive
New Iberia, Louisiana 70560

June 25, 2024

Kolder, Slaven & Company CPAs
1201 David Drive
Morgan City, LA 70380

In connection with your review of the financial statements of Squirrel Run Levee and Drainage District as of and for the year ended December 31, 2023, we provide the following response to reported compliance issue:

2023-001 - Debt Reserve Requirements

Condition: The District's debt service fund does not maintain the required reserve balance.

Management's Response:

The Squirrel Run Levee and Drainage District has sufficient funds to cover its debts, but out of an abundance of caution and at the recommendation of the Audit Firm, it will set up a reserve balance fund. The District also will increase the millage rate to further insure that its obligations are met.

Sincerely,

Rene Simon
Rene Simon, Chairman