

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE
DISTRICT NO. 5 OF THE PARISH OF ST. TAMMANY,
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

December 31, 2024

(With Independent Accountants' Compilation Report Thereon)

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Table of Contents

	<u>Page</u>
Independent Accountant's Compilation Report	1 - 2
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	8
Other Supplementary Information:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	9
Schedule of Compensation Paid to Board Members	10
Schedule of Findings and Management Corrective Action Plan	11
Status of Prior Year Findings	12



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Independent Accountant's Compilation Report

**Board of Commissioners
Sub-Drainage District No. 3 of Gravity Drainage District No. 5
of the Parish of St. Tammany, State of Louisiana
Covington, Louisiana**

Management is responsible for the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sub-Drainage District No. 3 of Gravity Drainage District No. 5 of the Parish of St. Tammany, State of Louisiana (the District), as of and for the year ended December 31, 2024, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Other Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head on page 9 and schedule of compensation paid to board members on page 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 8 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, 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. Such information is the representation of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary

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information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has omitted the management's discussion and analysis information 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Other Matters

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Griffin & Furman, LLC

January 10, 2025

Covington, Louisiana

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Statement of Net Position

December 31, 2024

(See Independent Accountants' Compilation Report)

<u>Assets</u>		
Cash & cash equivalents	\$	95,886
Prepaid insurance		3,345
Capital assets		<u>152,084</u>
		\$ <u><u>251,315</u></u>
<u>Net Position</u>		
Net Position:		
Net investment in capital assets	\$	152,084
Unrestricted		<u>99,231</u>
Total net position		\$ <u><u>251,315</u></u>

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2024

(See Independent Accountants' Compilation Report)

Expenses:		
Accounting & audit	\$	(3,525)
Assessor's office parcel fee		(301)
Bank charges		(684)
Depreciation		(25,154)
Sheriff's collection fee		(4,368)
Insurance		(3,345)
Repairs & maintenance		(9,005)
Management fee		<u>(2,500)</u>
Total expenses		(48,882)
General Revenues:		
Parcel fees		<u>58,200</u>
Total general revenues		58,200
Non-Operating Revenue (Expense):		
Interest income		<u>3,554</u>
Total non-operating revenue (expense)		<u>3,554</u>
Change in net position		12,872
Net position - beginning of year		<u>238,443</u>
Net position - end of year	\$	<u><u>251,315</u></u>

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

Balance Sheet

December 31, 2024

(See Independent Accountants' Compilation Report)

Assets

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Current Assets:			
Cash & cash equivalents	\$ 4,249	91,637	95,886
Prepaid insurance	3,345	-	3,345
	<u>7,594</u>	<u>91,637</u>	<u>99,231</u>
	\$ <u><u>7,594</u></u>	<u><u>91,637</u></u>	<u><u>99,231</u></u>

Liabilities & Fund Balances

Fund Balances:			
Committed to capital projects	\$ 4,249	91,637	95,886
Nonspendable	3,345	-	3,345
	<u>7,594</u>	<u>91,637</u>	<u>99,231</u>
Total fund balances	<u>7,594</u>	<u>91,637</u>	<u>99,231</u>
Total liabilities & fund balances	\$ <u><u>7,594</u></u>	<u><u>91,637</u></u>	<u>99,231</u>

**Amounts reported for governmental activities in the statement
of net position are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	<u>152,084</u>
Net position of governmental activities	\$ <u><u>251,315</u></u>

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2024

(See Independent Accountants' Compilation Report)

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues:			
Parcel fees	\$ -	58,200	58,200
Interest income	<u>107</u>	<u>3,447</u>	<u>3,554</u>
 Total revenues	 <u>107</u>	 <u>61,647</u>	 <u>61,754</u>
Expenditures:			
General:			
Administrative expense	6,201	629	6,830
Accounting & audit	3,525	-	3,525
Sheriff's collection fee	-	4,368	4,368
Repairs & maintenance	-	9,005	9,005
Capital outlay	<u>-</u>	<u>28,500</u>	<u>28,500</u>
 Total expenditures	 <u>9,726</u>	 <u>42,502</u>	 <u>52,228</u>
Other financing sources (uses):			
Transfers (to)/from other funds	<u>(31,150)</u>	<u>31,150</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(31,150)</u>	 <u>31,150</u>	 <u>-</u>
 Net change in fund balances	 (40,769)	 50,295	 9,526
 Fund balances, beginning of period	 <u>48,363</u>	 <u>41,342</u>	 <u>89,705</u>
 Fund balances, end of period	 \$ <u><u>7,594</u></u>	 <u><u>91,637</u></u>	 <u><u>99,231</u></u>

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

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

For the Year Ended December 31, 2024

(See Independent Accountants' Compilation Report)

Net change in fund balances - total governmental funds	\$ 9,526
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**Amounts reported for governmental activities in the Statement of
Activities are different because:**

**Governmental funds report capital outlay as expenditures; however,
in the Statement of Activities, the cost of those assets is capitalized
and depreciated when applicable. This is the amount by which
capital outlay exceeded depreciation in the current period.**

3,346

Change in net position of governmental activities	\$ <u><u>12,872</u></u>
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**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Governmental Funds

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund**

For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Parcel Fees	\$ -	-	-	-
Interest income	<u>107</u>	<u>107</u>	<u>107</u>	<u>-</u>
Total revenues	<u>107</u>	<u>107</u>	<u>107</u>	<u>-</u>
Expenditures:				
General:				
Administrative expense	6,126	6,126	6,201	(75)
Accounting & audit	<u>3,700</u>	<u>3,700</u>	<u>3,525</u>	<u>175</u>
Total expenditures	<u>9,826</u>	<u>9,826</u>	<u>9,726</u>	<u>100</u>
Other financing sources (uses):				
Transfers (to)/from other funds	<u>9,719</u>	<u>9,719</u>	<u>(31,150)</u>	<u>(40,869)</u>
Total other financing sources (uses)	<u>9,719</u>	<u>9,719</u>	<u>(31,150)</u>	<u>(40,869)</u>
Net change in fund balances	-	-	(40,769)	(40,769)
Fund balances, beginning of period	<u>11,337</u>	<u>11,337</u>	<u>48,363</u>	<u>37,026</u>
Fund balances, end of period	\$ <u><u>11,337</u></u>	<u><u>11,337</u></u>	<u><u>7,594</u></u>	<u><u>(3,743)</u></u>

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended December 31, 2024

Peter Persson, Chairman of the District, received no compensation, benefits, or other payments of any kind during the year ended December 31, 2024.

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Schedule of Compensation Paid to Board Members

For the Year Ended December 31, 2024

Bill Boren	\$ -
Clayton Boyce	-
Wayne Kempff	-
Peter Persson	-
Bob Skillern	-
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Total	\$ -

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Schedule of Findings and Management Corrective Action Plan

For the Year Ended December 31, 2024

Not applicable.

**SUB-DRAINAGE DISTRICT NO. 3 OF GRAVITY DRAINAGE DISTRICT NO. 5
OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended December 31, 2024

Finding 2023-1:

Criteria:

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition & Cause:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the District's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management Corrective Action Plan:

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the District's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

Status of Finding:

Resolved.