

GRAVITY DRAINAGE DISTRICT NO. 6  
OF JEFFERSON DAVIS PARISH  
IOWA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Year Ended December 31, 2020

## CONTENTS

	PAGE
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	3-4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS	
Balance sheet-governmental fund	9
Reconciliation of the balance sheet-government fund to the statement of net position	10
Statement of revenues, expenditures and changes in fund balance – governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance-governmental fund to the statement of activities	12
NOTES TO BASIC FINANCIAL STATEMENTS	13-19
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary comparison schedule-general fund	21
OTHER INFORMATION	
Schedule of compensation, benefits and other payments to chief executive officer	23
Schedule of findings and responses	24

December 28, 2021

Board of Commissioners  
Gravity Drainage District No. 6 of Jefferson Davis Parish  
Iowa, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities and the major fund of Gravity Drainage District No. 6 of Jefferson Davis Parish, a component unit of Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2020, and related notes to the financial statements, 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.

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 21 is 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 responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Gravity Drainage District No. 6 of Jefferson Davis Parish  
December 28, 2021  
Page Two

**Other Information**

The other information on page 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has been compiled from information that is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplemental information, and accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

*Shaggen, Cassidy: Shullery*

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Statement of Net Position

December 31, 2020

ASSETS	
Cash	\$ 707,788
Receivables	
Ad valorem taxes	151,902
State revenue sharing	<u>5,157</u>
Total assets	<u>864,847</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Accounts payable	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Unrestricted	<u><u>\$ 864,847</u></u>

See accompanying notes and accountants' compilation report.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Statement of Activities

Year Ended December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net Revenues (Expenses) and</u> <u>Changes in Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:			
General government	\$ 11,113	\$ -	\$ (11,113)
Drainage work	10,535	-	(10,535)
Total Governmental Activities	<u>\$ 21,648</u>	<u>\$ -</u>	<u>(21,648)</u>
		General Revenues:	
		Property taxes, net	145,545
		State revenue sharing	5,157
		Interest	537
		Total General Revenues	<u>151,239</u>
		Change in Net Position	<u>129,591</u>
		Net Position, beginning	<u>735,256</u>
		Net Position, ending	<u>\$ 864,847</u>

See accompanying notes and accountants' compilation report.

## FUND FINANCIAL STATEMENTS



GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Balance Sheet - Governmental Fund

December 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 707,788	\$ 606,755
Receivables		
Ad valorem taxes, net	151,902	123,344
State revenue sharing	5,157	5,157
Total Assets	<u>864,847</u>	<u>735,256</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 864,847</u>	<u>\$ 735,256</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Unassigned	<u>864,847</u>	<u>735,256</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 864,847</u>	<u>\$ 735,256</u>

See accompanying notes and accountants' compilation report.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

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	\$ 864,847
Total net position reported for governmental activities in the statement of net position is different from the balance sheet:	<u>-</u>
Total net position of governmental activities at December 31, 2020	<u><u>\$ 864,847</u></u>

See accompanying notes and accountants' compilation report.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

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)	\$ 145,545	\$ 120,473
State revenue sharing	5,157	5,157
Interest	537	1,616
TOTAL REVENUES	<u>151,239</u>	<u>127,246</u>
EXPENDITURES		
General Government		
Insurance	663	-
Drainage cleaning and spraying	10,535	56,091
Per diem	4,950	6,900
Professional fees	5,500	3,750
TOTAL EXPENDITURES	<u>21,648</u>	<u>66,741</u>
EXCESS OF REVENUES OVER EXPENDITURES	129,591	60,505
FUND BALANCE - BEGINNING	<u>735,256</u>	<u>674,751</u>
FUND BALANCE - ENDING	<u>\$ 864,847</u>	<u>\$ 735,256</u>

See accompanying notes and accountants' compilation report.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

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	\$ 129,591
The change in net position reported for governmental activities in the statement of activities different from the statement of revenues, expenditures and changes in fund balance	<u>-</u>
Total changes in net position at December 31, 2020 per Statement of Activities	<u><u>\$ 129,591</u></u>

See accompanying notes and accountants' compilation report.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gravity Drainage District No. 6 of Jefferson Davis Parish was created as a political subdivision of the State of Louisiana under the provisions of Louisiana Revised Statutes 38:1751-1802, and was established for the purpose of opening and maintaining all natural drains in the District where drainage is accomplished using the natural force of gravity. The District is governed by a board of six commissioners who are appointed by the Jefferson Davis Parish Police Jury.

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. 14, the Gravity Drainage District No. 6 of Jefferson Davis Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the Gravity Drainage District No. 6 of Jefferson Davis Parish

As the governing authority, for reporting purposes, the Jefferson Davis 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 the 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 Jefferson Davis Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting 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 Jefferson Davis 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 Jefferson Davis Parish Police Jury.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Organizations for which the Jefferson Davis Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Jefferson Davis 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 of and significance of the relationship.

Based upon the application of these criteria, Gravity Drainage District No. 6 of Jefferson Davis Parish is a component unit of the Jefferson Davis 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.

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, intergovernmental revenues, 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.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – 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 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.

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 or the “economic resources” measurement focus is used as appropriate. All governmental funds utilize a “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

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2020, the District has \$708,389 in deposits (collected bank balances), of which \$250,000 were secured from risk by federal deposit insurance and \$458,389 secured by pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. 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.

6. Budgets

A 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.



GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

7. 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.
- c. Unassigned fund balance - Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 unassigned fund balance.

8. Use of Estimates

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

9. Subsequent Events

Management has evaluated subsequent events through December 28, 2021 the date the financial statements were available to be issued.

10. Comparative Data

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

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2020, taxes were levied on taxable assessed valuations of \$27,635,280 at a millage of 5.620.

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 15<sup>th</sup> of the current year and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Notes to Basic Financial Statements

December 31, 2020

NOTE C – PER DIEM

Per diem paid to commissioners for the year consisted of the following:

Randy Kotara	\$ 1,050
Jimmy LeBlanc	1,050
Wynn Watkins	1,050
Millard Verret	1,050
Wayne Thibodeaux	<u>750</u>
	<u>\$ 4,950</u>

NOTE D – 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.

NOTE E – 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.

REQUIRED SUPPLEMENTAL INFORMATION

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Ad valorem taxes (net)	\$ 108,000	\$ 145,545	\$ 37,545
State revenue sharing	-	5,157	5,157
Interest	550	537	(13)
<b>TOTAL REVENUES</b>	<u>108,550</u>	<u>151,239</u>	<u>42,689</u>
<b>EXPENDITURES</b>			
General Government			
Insurance	550	663	(113)
Drainage cleaning and spraying	77,000	10,535	66,465
Per diem	7,200	4,950	2,250
Professional fees	6,000	5,500	500
<b>TOTAL EXPENDITURES</b>	<u>90,750</u>	<u>21,648</u>	<u>69,102</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	17,800	129,591	111,791
<b>FUND BALANCE - BEGINNING</b>	<u>735,256</u>	<u>735,256</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 753,056</u>	<u>\$ 864,847</u>	<u>\$ 111,791</u>

See accountants' compilation report.

## OTHER INFORMATION

Gravity Drainage District No. 6 of Jefferson Davis Parish  
Schedule of Compensation, Benefits and Other Payments  
To Chief Executive Officer

Year Ended December 31, 2020

Chief Executive Officer: Wayne Thibodeaux, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	750
Reimbursements	-
Travel	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

See accountants' compilation report.

GRAVITY DRAINAGE DISTRICT NO. 6 OF JEFFERSON DAVIS PARISH

Schedule of Findings and Responses

Year Ended December 31, 2020

1. Findings relating to the Financial Statements

None

2. Prior year findings

None