

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
BELL CITY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2018

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## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

### Management's Discussion and Analysis

Within this section of the Cameron Parish Gravity Drainage District No. 4's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2018. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### **Financial Highlights**

- The District's assets exceeded its liabilities by \$3,609,695 (net position) for the fiscal year reported.
- Total revenues of \$2,669,532 exceeded total expenditures of \$179,754, which resulted in a current year excess of \$2,489,778, compared to prior year deficit of \$11,655.
- Total net position are comprised of the following:
  - (1) Net investment in capital assets of \$2,860,745 include property and equipment, net of accumulated depreciation.
  - (2) Unrestricted net position of \$748,950 represent the portion available to maintain the District's continuing obligations to customers and creditors.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

#### **Overview of the Financial Statements**

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include the financial statements and notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is presented.

#### **Government-Wide Financial Statements**

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

## CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

### Management's Discussion and Analysis (Continued)

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government and maintenance.

The government-wide financial statements are presented on pages 13 and 14 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The District has one kind of fund:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 13 through 19 of this report.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

Management's Discussion and Analysis (Continued)

**Notes to the Basic Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. Required supplemental information can be found on page 28 of this report.

**Financial Analysis of the District as a Whole**

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole. The District's net position at fiscal year-end are \$3,609,695. The following table provides a summary of the District's net position:

	<u>2018</u>	<u>2017</u>
Current assets	\$ 748,980	\$ 817,077
Capital assets	<u>2,860,745</u>	<u>357,904</u>
Total assets	3,609,725	1,174,981
Total liabilities	<u>30</u>	<u>55,064</u>
Net position:		
Net Investment in capital assets	2,860,745	357,904
Unrestricted	<u>748,950</u>	<u>762,013</u>
Total net position	<u>\$ 3,609,695</u>	<u>\$ 1,119,917</u>

The District reported positive balances in net position, which increased by \$2,489,778.

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

	<u>2018</u>	<u>2017</u>
Revenues	\$ 2,669,532	\$ 44,368
Expenses		
General Government	<u>179,754</u>	<u>56,023</u>
Change in Net Position	2,489,778	(11,655)
Beginning Net Position	<u>1,119,917</u>	<u>1,131,572</u>
Ending Net Position	<u>\$ 3,609,695</u>	<u>\$ 1,119,917</u>

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

Management's Discussion and Analysis (Continued)

**Governmental Revenues**

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 99% (99% for 2017) of the District's total revenues (excluding intergovernmental revenues). As a result, the general economy and the local businesses have a major impact on the District's revenue streams.

**Budgetary Highlights**

The General Fund – When the original budget was adopted, it was anticipated that the total revenues were going to be \$2,250 less than the prior year, mainly due to ad valorem tax income and expenditures were anticipated to be \$30,318 less than the previous fiscal year's budget, mainly due to capital outlay. The budget was amended once during the year.

The actual revenues were more than the final budget by \$2,624,607, mainly due to intergovernmental income, and the actual expenditures were more than the final budget by \$2,573,020, mainly due to capital outlay.

**Capital Assets and Debt Administration**

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2018, was \$2,860,745. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	<u>2018</u>	<u>2017</u>
Nondepreciable assets:		
Construction in progress	\$ -	\$ -
Depreciable assets:		
Drainage & improvements	\$ 3,198,366	\$ 572,805
Less accumulated depreciation	<u>337,621</u>	<u>214,901</u>
Book value-depreciable assets	<u>\$ 2,860,745</u>	<u>\$ 357,904</u>
Percentage depreciated	<u>11%</u>	<u>38%</u>
Book value-all assets	<u>\$ 2,860,745</u>	<u>\$ 357,904</u>

At December 31, 2018 the depreciable capital assets were 11% depreciated. This compares much less than the December 31, 2017 percentage.

Additions for the year consists of \$1,803,445 for the Oak Grove Project and \$822,116 for the Kings Bayou Project.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

Management's Discussion and Analysis (Continued)

Debt

The District has no financing debt.

**Economic Conditions Affecting the District**

Since the primary revenue stream for the District is property taxes, the District's property tax revenues are subject to changes in the economy.

**Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's office, at (337) 794-3522.

# GRAGSON, CASIDAY & GUILLORY, LLP

Certified Public Accountants

RAYMOND GUILLORY, JR., C.P.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
GRAHAM A. PORTUS, E.A.  
KATHRYN BLESSINGTON, C.P.A.  
JACKLYN BARLOW, C.P.A.  
BRIAN MCCAIN, C.P.A.  
BLAKE MANUEL, C.P.A.

## INDEPENDENT AUDITORS' REPORT

June 28, 2019

To the Members of the  
Cameron Parish Gravity Drainage District No. 4

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Cameron Parish Gravity Drainage District No. 4, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Cameron Parish Gravity Drainage District No. 4's basic 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 Governmental 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.

*145 East Street • Lake Charles, LA 70601*  
*Mailing Address: P.O. Drawer 1847 • Lake Charles, LA 70602-1847*  
*phone: 337.439.1986 • fax: 337.439.1366 • www.gcgcpa.com*

To the Members of the  
Cameron Parish Gravity Drainage District No. 4  
June 28, 2019  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cameron Parish Gravity Drainage District No. 4 as of December 31, 2018, and the respective changes in financial position 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 management's discussion and analysis and the budgetary comparison information on pages 3 through 7 and 28, respectively 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 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cameron Parish Gravity Drainage District No. 4'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 of compensation, benefits and other payments to chief

To the Members of the  
Cameron Parish Gravity Drainage District No. 4  
June 28, 2019  
Page Three

executive officer 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 June 28, 2019, on our consideration of Cameron Parish Gravity Drainage District No. 4'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. 4's internal control over financial reporting and compliance.



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Statement of Net Position

December 31, 2018

ASSETS	
Cash	\$ 652,004
Receivables	
Ad valorem taxes, net	96,976
Capital assets, net	<u>2,860,745</u>
TOTAL ASSETS	<u>3,609,725</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
Accounts payable	<u>30</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Net investment in capital assets	2,860,745
Net position - unrestricted	<u>748,950</u>
	<u>\$ 3,609,695</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Statement of Activities

Year Ended December 31, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General government	\$ (179,754)	\$ -	\$ -	\$ (179,754)
		General Revenues:		
				43,474
				277
				2,625,561
				220
				<u>2,669,532</u>
				2,489,778
				<u>1,119,917</u>
				<u>\$ 3,609,695</u>

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

FUND FINANCIAL STATEMENTS

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Balance Sheet - Governmental Fund

December 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 652,004	\$ 720,194
Receivable - ad valorem taxes, net	<u>96,976</u>	<u>96,883</u>
Total Assets	<u>748,980</u>	<u>817,077</u>
 TOTAL ASSETS	 <u>\$ 748,980</u>	 <u>\$ 817,077</u>
 LIABILITIES		
Liabilities		
Accounts payable	\$ 30	\$ 55,064
Total Liabilities	<u>30</u>	<u>55,064</u>
 FUND BALANCES		
Unassigned	<u>748,950</u>	<u>762,013</u>
Total Fund Balances	<u>748,950</u>	<u>762,013</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 748,980</u>	 <u>\$ 817,077</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

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

December 31, 2018

Total fund balance for governmental fund at December 31, 2018:	\$ 748,950
Total net assets reported for governmental activities in the Statement of Net Assets 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 \$337,621 accumulated depreciation	<u>2,860,745</u>
Total net assets of governmental activities at December 31, 2018	<u>\$ 3,609,695</u>

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

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

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

Year Ended December 31, 2018

	2018	2017
REVENUES		
Ad valorem taxes (net)	\$ 43,474	\$ 43,854
Federal revenue sharing	-	50
State revenue sharing	277	220
Intergovernmental income	2,625,561	-
Interest	220	244
TOTAL REVENUES	2,669,532	44,368
EXPENDITURES		
General Government		
Operating and maintenance	15,042	24,563
Per diem	3,835	3,315
Professional fees	30,957	9,344
Salaries	7,200	7,200
Capital outlay	2,625,561	176,996
TOTAL EXPENDITURES	2,682,595	221,418
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,063)	(177,050)
FUND BALANCE - BEGINNING	762,013	939,063
FUND BALANCE - ENDING	\$ 748,950	\$ 762,013

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

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

Year Ended December 31, 2018

Total net changes in fund balance at December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ (13,063)
The change in net assets reported for governmental activities in the in the Statement of Activities is different because from the Statement of Revenues, Expenditures and Changes in Fund Balance 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	\$ 2,625,561	
Depreciation expense for the year ended December 31, 2018	<u>(122,720)</u>	<u>2,502,841</u>
Total changes in net assets at December 31, 2018 per Statement of Activities		<u>\$ 2,489,778</u>

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

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cameron Parish Gravity Drainage District No. 4 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 5 commissioners who are appointed by the Cameron 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 Cameron Parish Gravity Drainage District No. 4 includes all funds, account groups, et cetera, that are within the oversight responsibility of the Cameron Parish Gravity Drainage District No. 4.

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 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 of significance of the relationship.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Based upon the application of these criteria, Cameron Parish Gravity Drainage District No. 4 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.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. 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. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

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 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 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. At December 31, 2018, the District had \$652,220 in deposits (collected bank balances), of which \$250,000 was secured from risk by federal deposit insurance and \$402,220 of pledged securities held by the custodial bank in the name of the fiscal agent.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Accounts Receivable

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

6. 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.

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 assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Drainage & improvements	25 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.

7. Budgets

A budget is adopted on a basis consistent with generally accepted accounting principles. 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.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Equity Classification

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

- a. Net investment in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated 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 do not meet the definition of "restricted" or "net investment in capital assets, net of related debt".

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.

When an expense is incurred that can be paid using either restricted (assigned) or unrestricted (unassigned) resources (net assets), the District's policy is to first apply the expenses toward restricted (assigned) resources and then toward unrestricted (unassigned) resources.

9. 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.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Subsequent Events

Management has evaluated subsequent events through June 28, 2019, the date the financial statements were available to be issued.

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2018, taxes were levied on taxable assessed valuations of \$10,824,361 at a millage of 7.14.

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.

NOTE C – 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 D – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2018 are as follows:

	<u>Beginning of Year</u>	<u>Net Additions</u>	<u>End of Year</u>
Governmental Activities:			
Construction in progress	\$ -	\$ -	\$ -
Drainage & improvements	<u>572,805</u>	<u>2,625,561</u>	<u>3,198,366</u>
	572,805	2,625,561	3,198,366
Less accumulated			
Depreciation	<u>214,901</u>	<u>122,720</u>	<u>337,621</u>
	<u>\$ 357,904</u>	<u>\$ 2,502,841</u>	<u>\$ 2,860,745</u>

Depreciation expense was \$122,720 for the year ended December 31, 2018.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Notes to Financial Statements

December 31, 2018

NOTE E – PER DIEM

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

Shane Broussard	\$ 910
Leslie Griffith	910
Stephen Landry	130
Dan Nunez	780
Todd Morales	520
Michael Semien	<u>585</u>
	<u>\$ 3,835</u>

REQUIRED SUPPLEMENTAL INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Ad valorem taxes (net)	\$ 41,650	\$ 44,565	\$ 43,474	\$ (1,091)
State revenue sharing	225	148	277	129
Intergovernmental income	-	-	2,625,561	2,625,561
Interest	243	212	220	8
<b>TOTAL REVENUES</b>	<u>42,118</u>	<u>44,925</u>	<u>2,669,532</u>	<u>2,624,607</u>
<b>EXPENDITURES</b>				
General Government				
Operating and maintenance	25,000	12,783	15,042	(2,259)
Per diem	3,900	3,770	3,835	(65)
Professional fees	15,000	30,957	30,957	-
Salaries	7,200	7,200	7,200	-
Capital outlay	150,000	54,865	2,625,561	(2,570,696)
<b>TOTAL EXPENDITURES</b>	<u>201,100</u>	<u>109,575</u>	<u>2,682,595</u>	<u>(2,573,020)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(158,982)	(64,650)	(13,063)	51,587
<b>FUND BALANCE - BEGINNING</b>	<u>762,013</u>	<u>762,013</u>	<u>762,013</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 603,031</u>	<u>\$ 697,363</u>	<u>\$ 748,950</u>	<u>\$ 51,587</u>

OTHER INFORMATION

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4  
Bell City, Louisiana

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

Year Ended December 31, 2018

Chief Executive Officer: Stephen Landry, Board President (January – March 2018) Shane  
Broussard, Board President (April – December 2018)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits- cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	1,040
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special Meals	-

# GRAGSON, CASIDAY & GUILLORY, LLP

Certified Public Accountants

RAYMOND GUILLORY, JR., C.P.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
GRAHAM A. PORTUS, E.A.  
KATHRYN BLESSINGTON, C.P.A.  
JACKLYN BARLOW, C.P.A.  
BRIAN MCCAIN, C.P.A.  
BLAKE MANUEL, C.P.A.

## 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

June 28, 2019

To the Members of  
Cameron Parish Gravity Drainage District No. 4

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 governmental activities and each major fund of the Cameron Parish Gravity Drainage District No. 4, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Cameron Parish Gravity Drainage District No. 4's basic financial statements, and have issued our report thereon dated June 28, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Parish Gravity Drainage District No. 4'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Cameron Parish Gravity Drainage District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Parish Gravity Drainage District No. 4'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

To the Members of  
Cameron Parish Gravity Drainage District No. 4  
June 28, 2019  
Page Two

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. 4's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. 4's Responses to Findings**

Cameron Parish Gravity Drainage District No. 4's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Cameron Parish Gravity Drainage District No. 4'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.

*Tragson Casiday & Guillory*

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

Schedule of Findings and Responses

Year Ended December 31, 2018

1. Summary of Auditors' Results:

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(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

2. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

**Finding 2018-01:**

**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.

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 of bank reconciliations on a monthly basis.

CAMERON PARISH GRAVITY DRAINAGE DISTRICT NO. 4

Schedule of Findings and Responses - Continued

Year Ended December 31, 2018

**Finding 2018-02:**

**Budgetary Authority and Control:**

Condition: Inadequate budgeting procedures resulted in actual expenditures being over budget by 5% or more

Criteria: Inadequate budgeting procedures.

Effect: Violation of Louisiana Revised Statute 39:1310.

Cause: Administrative lack of oversight.

Recommendation: The District should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/Management Response: The District agrees with the finding and will implement the recommendations. The budget noncompliance is a direct result of reporting fixed asset donation from the Cameron Parish Police Jury. The fixed assets were completely funded by the donation.

3. Federal Award Findings and Questioned Costs  
-N/A

4. Prior Year Audit Findings  
None

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Cameron Parish Gravity Drainage District No. 4  
Bell City, Louisiana

June 28, 2019

We have performed the procedures included enumerated below, which were agreed to by the Cameron Parish Gravity Drainage District No. 4 and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2018 through December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations)
  - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.  
***The District does not have a complete written policies and procedures manual.***
  - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
***The District does not have a complete written policies and procedures manual.***
  - c) *Disbursements*, including processing, reviewing, and approving.  
***The District does not have a complete written policies and procedures manual.***
  - d) *Receipt/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmations with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequence, agency fund forfeiture monies confirmation).

145 East Street • Lake Charles, LA 70601  
Mailing Address: P.O. Drawer 1847 • Lake Charles, LA 70602-1847  
phone: 337.439.1986 • fax: 337.439.1366 • [www.gcgcpa.com](http://www.gcgcpa.com)

***The District does not have a complete written policies and procedures manual.***

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

***The District does not have a complete written policies and procedures manual.***

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

***The District does not have a complete written policies and procedures manual.***

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (.e.g., determining the reasonableness of fuel card purchases).

***The District does not have a complete written policies and procedures manual.***

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

***The District does not have a complete written policies and procedures manual.***

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

***The District does not have a complete written policies and procedures manual.***

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

***The District does not have a complete written policies and procedures manual.***

***Management response: Management will develop and implement a policy and procedures manual during the current fiscal year.***

#### ***Board or Finance Committee***

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.  
***The minutes reflected that the board met monthly.***
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

*The minutes did not reference or include monthly budget-to-actual comparisons.*

*Management response: Management will implement a policy to review and document budget to actual comparisons at each board meeting.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*The District did not have a negative fund balance in the general fund in the prior year.*

### Bank Reconciliations

- 3. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*Bank reconciliations did not include evidence that a member of management/board member reviewed each reconciliation.*

*Management response: Management will review bank reconciliations on a monthly basis and document approval with signature or initials.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*There were no items outstanding for more than 12 months from the statement closing date.*

### Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites ( or all deposit sites if less than 5).

*The listing was provided by management.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*The District does not maintain a cash drawer.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*The employee responsible for collecting cash is responsible for preparing/making bank deposits.*

*Management Response: As a compensating control, a board member reviews each bank statement.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*The employee responsible for collecting cash is responsible for posting collection entries to the general ledger.*

*Management Response: As a compensating control, a board member reviews each bank statement.*

- d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*The employee responsible for reconciling cash collections to the general ledger is responsible for collecting cash.*

*Management Response: As a compensating control, a board member reviews each bank statement.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*The employee accepting payments is bonded.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made no the same day). Obtain supported documentation for each of the deposits and:

a) Observe that receipts are sequentially pre-numbered.

*Not applicable, however, collection reports are numbered.*

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions.*

c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions.*

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*No exceptions.*

e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements and petty cash purchases)***

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*The listing was provided by management.*

9. For each location selected under #8 above, obtain a list of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Purchase orders are not utilized, however the secretary initiates a purchase and the Board approves each invoice.*

- b) At least two employees are involved in processing and approving payments to vendors.

*The secretary processes payments and the Board approves payments to vendors.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The employee responsible for processing payments is not prohibited from adding/modifying vendor files. Another employee is not responsible for periodically reviewing changes to vendor files.*

*Management Response: The District employs only one office staff personnel who performs all accounting functions of payments, collections, deposits and recording. The District does not have the financial resources to employ more personnel to maintain adequate segregation of duties. Board review of disbursements on a monthly basis minimizes exposure to errors and misappropriation of funds.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*The check signer or authorized user maintains control of the checks until mailed.*

*Management Response: The District employs only one office staff personnel who performs all accounting functions of payments, collections, deposits and recording. The District does not have the financial resources to employ more personnel to maintain adequate segregation of duties. Board review of disbursements on a monthly basis minimizes exposure to errors and misappropriation of funds.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions.*

- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9 as applicable.

*Items tested included evidence of above.*

*Management Response: The District employs only one office staff personnel who performs all accounting functions of payments, collections, deposits and recording. The District does not have the financial resources to employ more personnel to maintain adequate segregation of duties.*

*Board review of disbursements on a monthly basis minimizes exposure to errors and misappropriation of funds.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*The District does not have credit, debit, fuel or P-cards.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

*Not applicable.*

- b) Observe that finance charges and/or late fees were not assessed on the selected statements.

*Not applicable.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Not applicable.*

***Travel and Travel-Related Expense Reimbursements (Excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense

documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Not applicable, the District did not have travel expenditures.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Not applicable, the District did not have travel expenditures.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Not applicable, the District did not have travel expenditures*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Not applicable, the District did not have travel expenditures*

### Contracts

---

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the list is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No contracts/invoices were subject to the Louisiana Public Bid Law, but the District does solicit quotes as necessary.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*The contract/invoice was approved by the governing board.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*The contract/invoice was not amended during the fiscal year.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the

supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*The invoices and related payments selected for testing agreed to the terms and conditions.*

### ***Payroll and Personnel***

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain their paid salaries and personnel files, and agree paid salaries to the authorized pay rates in the personnel files.

*Not applicable, the District has no payroll.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*Not applicable, the District has no payroll.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*Not applicable, the District has no payroll.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Not applicable, the District has no payroll.*

18. Obtain a listing of those employees/officials that received termination pay during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Not applicable, the District has no payroll.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Not applicable, the District has no payroll.*

***Ethics***

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20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.  
***Not applicable, the District does not have any employees.***
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Not applicable, the District does not have any employees.***

***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the list is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.

***No debt was issued during the fiscal year.***

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select on bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

***The District had no outstanding debt during the fiscal year.***

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

***Management informed us that the District did not have any misappropriation of public funds or assets during the fiscal year.***

24. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*The District has the required notice posted in a conspicuous place upon its premises. The District does not have a website.*

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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Dracop, Casiday & Duilloy*