

**BAYOU MALLET GRAVITY DRAINAGE
DISTRICT OF ACADIA PARISH**

FINANCIAL REPORT

DECEMBER 31, 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Commissioners
Bayou Mallet Gravity Drainage
District of Acadia Parish
Eunice, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Bayou Mallet Gravity Drainage District of Acadia Parish, a component unit of Acadia Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Bayou Mallet Gravity Drainage District of Acadia Parish. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying budgetary comparison schedule and notes to the schedule on pages 15 and 16 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Matters

The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The schedule of compensation, benefits and other payments to agency head has been subjected to the review procedures applied in the accountant's review of the basic financial statements and we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

In accordance with Louisiana Governmental Audit Guide and the provisions of State law, we have issued a report, dated April 16, 2019, on the results of our agreed-upon procedures.

Broussard Pecho, LLP

Lafayette, Louisiana
April 16, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

STATEMENT OF NET POSITION
 December 31, 2018
 See Accountants' Review Report

ASSETS	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 1,555,921
Certificates of deposit	128,648
Ad valorem taxes receivable	5,849
State revenue receivable	6,790
Due from other governmental agencies	<u>344,264</u>
Total assets	<u>\$ 2,041,472</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Accounts payable	<u>\$ 12,282</u>
Net Position:	
Net position - unrestricted	<u>\$ 2,029,190</u>
Total liabilities and net position	<u>\$ 2,041,472</u>

See Notes to Financial Statements.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2018
 See Accountants' Review Report

	<u>Governmental Activities</u>
Expenses:	
Governmental activities --	
Public works	\$ <u>(201,674)</u>
Net expenses	\$ <u>(201,674)</u>
General revenues:	
Ad valorem taxes	\$ 368,746
Grants and contributions not restricted to specific program	10,186
Investment earnings	<u>1,559</u>
Total general revenues	\$ <u>380,491</u>
Change in net position	\$ 178,817
Net position, beginning, as previously reported	1,844,520
Prior period adjustment	<u>5,853</u>
Net position, beginning, as restated	\$ <u>1,850,373</u>
Net position, ending	<u>\$ 2,029,190</u>

See Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2018
 See Accountants' Review Report

ASSETS	<u>General Fund</u>
Cash and cash equivalents	\$ 1,555,921
Certificates of deposit	128,648
Ad valorem taxes receivable	5,849
State revenue receivable	6,790
Due from other governmental agencies	<u>344,264</u>
Total assets	<u>\$ 2,041,472</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	<u>\$ 12,282</u>
Fund balance:	
Unreserved, undesignated	<u>\$ 2,029,190</u>
Total liabilities and fund balance	<u>\$ 2,041,472</u>

See Notes to Financial Statements.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended December 31, 2018
See Accountants' Review Report

	<u>General Fund</u>
Revenues:	
Taxes –	
Ad valorem	\$ 368,746
Intergovernmental –	
State revenue sharing	10,186
Interest	<u>1,559</u>
Total revenues	<u>\$ 380,491</u>
Expenditures:	
Current –	
Public works:	
Salaries	\$ 16,112
Payroll taxes	1,072
Pension deduction	12,207
Maintenance	157,329
Appropriation to Acadia Soil and Water Conservation	2,000
Professional fees	7,604
Other	<u>5,350</u>
Total expenditures	<u>\$ 201,674</u>
Excess of revenues over expenditures	\$ 178,817
Fund balance, beginning, as previously reported	1,844,520
Prior period adjustment	<u>5,853</u>
Fund balance, beginning, as restated	<u>1,850,373</u>
Fund balance, ending	<u>\$ 2,029,190</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Note 1. Summary of Significant Accounting Policies

The accompanying basic financial statements of Bayou Mallet Gravity Drainage District of Acadia Parish (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies of the District are described below.

Reporting entity:

As provided by Louisiana Revised Statute 38:1607, the District is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the Acadia Parish Police Jury (the "Police Jury"). The District was created under the authority of Louisiana Revised Statutes 38:1601-1707 and was established for the purpose of draining and reclaiming the undrained or partially drained marsh, swamp, and overflowed lands in the District that must be levied and pumped in order to be drained and reclaimed.

In conformance with GASB Codification Section 2100, the District is a component unit of the Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general governmental services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

Basis of presentation:

The District's basic financial statements consist of the government-wide and fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements -

The government-wide financial statements include the statement of net position and the statement of activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets, restricted and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The district had no program or revenues for the year ended December 31, 2018.

The District reports all direct expenses by function in the government-wide statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense, if any, is included as a direct expense. The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, interest earnings, etc.).

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the District's funds. The emphasis of the fund financial statements is on major governmental funds. The District has only one fund, its General Fund. The General Fund is the District's general operating fund and it is used to account for all of the financial resources of the District.

Basis of accounting:

Government-wide financial statements -

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which they are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are recognized in the year they are billed. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash:

Cash includes amounts in demand deposits.

Investments:

State statutes authorize the District to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District's investments at December 31, 2018 consisted of time certificates of deposit purchased from local financial institutions.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Capital assets:

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements -

The District's property and equipment with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. The District had no reportable capital assets at December 31, 2018.

Fund financial statements -

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

Compensated absences:

The District does not have a formal policy on vacation and sick leave. Accordingly, no liability has been recorded in the financial statements.

Use of estimates:

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

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The District does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not currently have any items that qualify for reporting in this category.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Net position flow assumption:

Sometimes, the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption:

Sometimes, the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Equity classifications:

Government-wide statements –

Equity is classified as net position and displayed in three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The District's net position at December 31, 2018 was unrestricted.

Fund financial statements –

Beginning with fiscal year 2014, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Budgets and budgetary accounting:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is employed as a management control device during the year that assists its users in financial activity analysis. All budget appropriations lapse at year end.

Custodial credit risk:

Deposits (demand, savings, and certificates of deposit) –

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be pledged in the District's name. As a means of limiting its exposure to fair value losses arising from rising interest rates, it is the District's policy that generally the District only invest in "certificate of deposit" and "money market instruments," which are defined as very creditworthy, highly liquid investments with maturities of one year or less.

At December 31, 2018, the carrying amount of the District's deposits, including demand deposit accounts and certificates of deposit, was \$1,684,569. Of the bank balance, \$316,539 was secured from risk by federal deposit insurance and the remainder by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Note 2. Ad Valorem Taxes

Fund financial statements –

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Taxes are budgeted and the revenue recognized in the year they are levied. The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

The District authorized and levied general corporate taxes of 5.03 mills on property with assessed valuations totaling \$80,445,731 for the year ended December 31, 2018.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Total taxes levied, exclusive of homestead exemptions, was \$368,746 for year ended December 31, 2018. Ad valorem taxes receivable consist of taxes collected by the Acadia Parish Sheriff's Office that have not been remitted to the District and amounts due from taxpayers. Ad valorem taxes receivable at December 31, 2018 totaled \$5,849, all of which was deemed collectible.

Due from other governmental agencies in the amount of \$344,264 includes total taxes collected by the sheriff as of December 31, 2018.

Note 3. Compensation Paid to the Board of Commissioners

Compensation paid to Commissioners for the year ended December 31, 2018 is as follows:

Laurent Bellard	\$ 1,250
J. D. Sittig, Jr.	3,250
Wayne Manuel	1,675
Allen Murphy	1,900
Richard Ruppert	<u>3,237</u>
Total	<u>\$11,312</u>

Note 4 Prior Period Adjustment

During the year ended December 31, 2018, the District identified that accounts payable was over accrued by \$5,853 on the Statement of Net Position and the General Fund Balance Sheet as of December 31, 2017.

Note 5. Subsequent Events

The District evaluated the need for disclosures and/or adjustments resulting from subsequent events through April 16, 2018, the date the financial statements were available to be issued. This evaluation did not result in any subsequent events that necessitated disclosures or adjustments under generally accepted accounting principle.

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REQUIRED SUPPLEMENTARY INFORMATION

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

BUGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2018
See Accountants' Review Report

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance With Final Amended Budget Positive (Negative)</u>
Revenues:				
Taxes –				
Ad valorem	\$ 424,775	\$ 428,000	\$ 368,746	\$ (59,254)
Intergovernmental –				
State revenue sharing	10,200	10,200	10,186	(14)
Interest	<u>1,000</u>	<u>1,000</u>	<u>1,559</u>	<u>559</u>
Total revenue	<u>\$ 435,975</u>	<u>\$ 439,200</u>	<u>\$ 380,491</u>	<u>\$ (58,709)</u>
Expenditures:				
Current –				
Public works:				
Salaries	\$ 11,850	\$ 11,500	\$ 16,112	\$ (4,612)
Payroll taxes	1,125	1,300	1,072	228
Insurance	200	200	-	200
Pension deduction	1,300	1,300	12,207	(10,907)
Maintenance	383,000	155,900	157,329	(1,429)
Appropriation to Acadia Soil and Water Conservation	1,500	2,000	2,000	-
Professional fees	12,800	14,000	7,604	6,396
Advertising	200	200	-	200
Other	<u>24,000</u>	<u>8,000</u>	<u>5,350</u>	<u>2,650</u>
Total expenditures	<u>\$ 435,975</u>	<u>\$ 194,400</u>	<u>\$ 201,674</u>	<u>\$ (7,274)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 244,800</u>	<u>\$ 178,817</u>	<u>\$ (65,983)</u>
Fund balance, beginning, as previously reported	1,844,520	1,844,520	1,844,520	-
Prior period adjustment	-	-	5,853	5,853
Fund balance, beginning, as restated	<u>\$ 1,844,520</u>	<u>1,844,520</u>	<u>1,850,373</u>	<u>5,853</u>
Fund balance, ending	<u>\$ 1,844,520</u>	<u>\$ 2,089,320</u>	<u>\$ 2,029,190</u>	<u>\$ (60,130)</u>

See Note to Budgetary Comparison Schedule.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

NOTES TO BUDGETARY COMPARISON SCHEDULE

See Independent Accountants' Review Report

Note 1. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Board prepares a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
3. The budget is employed as a management control device during the year that assists its user in financial activity analysis.

All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final amended budget.

Note 2. Stewardship, Compliance and Accountability

The General Fund's expenditures exceeded budgeted expenditures by \$7,274 in 2018.

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SUPPLEMENTARY INFORMATION

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2018
See Independent Accountants' Review Report

AGENCY HEAD: Richard Rupert

Purpose

Per diem

\$ 3,237

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

SCHEDULE OF CURRENT YEAR FINDINGS

For the Year Ended December 31, 2018

Finding #2018-1 - Budget Violation

Condition: For the year ended December 31, 2018, total actual revenues failed to meet budgeted revenues in the general fund by 13.4%.

Criteria: The Louisiana Local Government Budget Act requires governments to amend their budget when actual revenues fail to meet budgeted revenues or actual expenditures exceed total budgeted expenditures by 5% or more in any one fund.

Cause: The budget was not properly amended as necessary in order to comply with the State Law.

Effect: The District is not compliance with the Louisiana Local Government Budget Act.

Recommendation: The budget should be adopted based on historical and expected revenue collections and expenditures. The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance with State Law.

Management Response: The District will monitor the budget and amend as necessary.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2018

Finding #2017-1 Timely Deposits

Recommendation: Checks received from the tax collector should be restrictively endorsed for deposit in the District's account only and deposited with the depository within one business day of receipt.

Current Status: Resolved

Finding #2017-2 Disbursement Documentation

Recommendation: All supporting documentation for receipts and disbursements needs to be maintained to ensure proper recording and approval of transactions.

Current Status: Resolved.

Finding #2017-3 Louisiana Audit Law

Recommendation: In the future, the District should be aware of the deadline and make reasonable efforts to provide requested information to the accountants.

Current Status: Resolved

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

The Board of Commissioners
Bayou Mallet Gravity Drainage
District of Acadia Parish
Eunice, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Bayou Mallet Gravity Drainage District of Acadia Parish, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Bayou Mallet Gravity Drainage District of Acadia Parish's compliance with certain laws and regulations during the year ended December 31, 2018, included in the accompanying Louisiana Attestation Questionnaire. Management of the Bayou Mallet Gravity Drainage District of Acadia Parish is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with 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 the 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.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or for public works exceeding \$154,450.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list including the noted information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the list of employees paid during the fiscal year.

4. Report whether any employees' name appear on both list obtained in procedures 2 & 3.

No employees' name appears on both lists obtained in procedures 2 & 3.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

None of the vendors appear on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The original budget was adopted on December 11, 2017 per discussion with management, however the adoption of the budget was not noted in the December 11, 2017 minutes. Amendments to the budget was approved by the Board of Commissioners on July 9, 2018.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more and if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues failed to meet budgeted amounts by 5% or more and actual expenditures did not exceed budgeted amounts by 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- a. Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for the selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Report whether the six disbursements are coded to the correct fund and general ledger account

All six of the selected disbursements were properly coded to the correct fund and general ledger account.

- b. Report whether the six disbursements were approved in accordance with management's policies and procedures.

All six disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11-42:28 (the open meetings law); and report whether there are any exceptions.

Per Management the only public notice for a meeting that was posted was for the May 2018 meeting which dealt with the renewal of the tax millage. We reviewed support of this public notice for the May 2018 meeting. Per Management there is a permanent sign outside the door that states all meetings take place on the second Monday of the month.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected all original bank statements for the year and the listing of deposits and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We obtained a list of all payroll disbursements and meeting minutes of the Commission and noted no payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

Management provided information for a timely report in accordance with R.S. 24:513.

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

Per Management the agency did not enter into any contracts that utilized state funds as defined in R.S. 39:71.1 A.(2) and that were subject to the public bid law.

Prior-year comments

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

Per management all prior-year suggestions, recommendations, and/or comments have been resolved.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management and the Board of Commissioners of the Bayou Mallet Gravity Drainage District of Acadia Parish, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard 'Pocho', LLP

Lafayette, Louisiana
April 16, 2019

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

Dear Chief Executive Officer

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana governmental agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected government officials should sign the document in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, must be given to the independent certified public accountant at the beginning of the engagement. The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A "yes" answer indicates that you have complied with the applicable law or regulation. A "no" answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

4-8-2019 (Date Transmitted)

Bayou Mallet Gravity Drainage (CPA Firm Name)
1199 E. Ardin Street (CPA Firm Address)
Eunice, LA 70535 (City, State, Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of Dec 31, 2018 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you:

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38 §§ 1101-1103, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority or the chief executive of the governmental entity has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2), and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

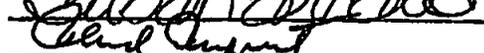
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	4-8-19	Date
	Treasurer	4-8-19	Date
	President	4-8-19	Date