

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

FINANCIAL REPORT

DECEMBER 31, 2017

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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, 2017, 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the budgetary comparison 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. 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.

Management has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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.

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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, 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 August 21, 2018, on the results of our agreed-upon procedures.

Bronson Poche, LLP

Lafayette, Louisiana
August 21, 2018

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

STATEMENT OF NET POSITION

December 31, 2017

See Independent Accountants' Review Report

ASSETS	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 1,316,771
Certificates of deposit	128,293
Ad valorem and state revenue sharing taxes receivable	12,162
Due from other governmental agencies	<u>406,555</u>
 Total assets	 <u>\$ 1,863,781</u>
 LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	<u>\$ 19,261</u>
 NET POSITION	
Net position - unrestricted	<u>\$ 1,844,520</u>
 Total liabilities and net position	 <u>\$ 1,863,781</u>

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2017
 See Independent Accountants' Review Report

	<u>Governmental Activities</u>
Expenses:	
Governmental activities –	
Public works	\$ (258,428)
Net expenses	<u>\$ (258,428)</u>
General revenues:	
Property taxes	\$ 407,843
Grants and contributions not restricted to specific programs	10,080
Investment earnings	<u>1,536</u>
Total general revenues	<u>\$ 419,459</u>
Change in net position	\$ 161,031
Net position, beginning as restated	<u>1,683,489</u>
Net position, ending	<u>\$ 1,844,520</u>

See Notes to Financial Statements.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS

GENERAL FUND

December 31, 2017

See Independent Accountants' Review Report

ASSETS

Cash and cash equivalents	\$ 1,316,771
Certificates of deposit	128,293
Ad valorem and state revenue sharing taxes receivable	12,162
Due from other governmental agencies	<u>406,555</u>
Total assets	<u>\$ 1,863,781</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ <u>19,261</u>
Fund balance:	
Unreserved, undesignated	\$ <u>1,844,520</u>
Total liabilities and fund balance	<u>\$ 1,863,781</u>

See Notes to Financial Statements.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
GENERAL FUND

Year Ended December 31, 2017

See Accountants' Review Report

Revenues:		
Taxes –		
Ad valorem	\$	407,843
Intergovernmental –		
State revenue sharing		10,080
Interest		<u>1,536</u>
Total revenues	\$	<u>419,459</u>
Expenditures:		
Current –		
Public works:		
Salaries	\$	17,743
Payroll taxes		2,630
Pension deduction		13,447
Maintenance		204,366
Appropriation to Acadia Soil and Water Conservation		2,000
Professional fees		11,305
Other		<u>6,937</u>
Total expenditures	\$	<u>258,428</u>
Excess of revenues over expenditures	\$	161,031
Fund balance, beginning		<u>1,683,489</u>
Fund balance, ending	\$	<u>1,844,520</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Note 1. Summary of Significant Accounting Policies

The accompanying fund 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) grant while the capital grants column reflects capital-specific grants.

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, 2017 consisted of time certificates of deposit purchased from local financial institutions. These certificates are not subject to GASB Statement No. 31 requirements; thus, they are stated at cost.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Fixed assets:

The accounting treatment over property and equipment (fixed 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 fixed assets at December 31, 2017.

Fund financial statements -

In the fund financial statements, fixed 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.

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.

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.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

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 has no restricted net position at December 31, 2017.

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;
- 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

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

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).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Custodial credit risk:

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

At December 31, 2017, the carrying amount of the District's deposits, including demand deposit accounts and certificates of deposit, was \$1,445,064. Of the bank balance, \$316,127 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 Village that the fiscal agent has failed to pay deposited funds upon demand.

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.

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 \$81,239,895 for the year ended December 31, 2017.

Total taxes levied, exclusive of homestead exemptions, was \$408,637 for year ended December 31, 2017. 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, 2017 totaled \$408,637, all of which was deemed collectible.

NOTES TO FINANCIAL STATEMENTS
See Independent Accounts' Review Report

Note 3. Compensation Paid to the Board of Commissioners

Compensation paid to Commissioners for the year ended December 31, 2017 is as follows:

Laurent Bellard	\$ 1,546
J. D. Sittig, Jr.	3,093
Wayne Manuel	2,217
Allen Murphy	1,834
Richard Ruppert	<u>4,253</u>
Total	<u>\$12,943</u>

Note 4. 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 purchases commercial insurance to cover any claims related to these risks.

Note 5. Subsequent Events

The District evaluated the need for disclosures and/or adjustments resulting from subsequent events through June 20, 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

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended December 31, 2017

See Independent 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	\$ 450,000	\$ 420,000	\$ 407,843	\$ (12,157)
Intergovernmental –				
State revenue sharing	10,000	10,200	10,080	(120)
Interest	<u>5,000</u>	<u>1,000</u>	<u>1,536</u>	<u>536</u>
Total revenue	<u>\$ 465,000</u>	<u>\$ 431,200</u>	<u>\$ 419,459</u>	<u>\$ (11,741)</u>
Expenditures:				
Current –				
Public works:				
Salaries	\$ 14,000	\$ 11,850	\$ 17,743	\$ (5,893)
Payroll taxes	900	1,125	2,630	(1,505)
Insurance	200	200	-	200
Pension deduction	14,000	1,300	13,447	(12,147)
Maintenance	240,000	363,000	204,366	158,634
Appropriation to Acadia Soil and Water Conservation	1,500	1,500	2,000	(500)
Professional fees	16,000	12,800	11,305	1,495
Advertising	200	200	-	200
Other	<u>5,000</u>	<u>23,780</u>	<u>6,937</u>	<u>16,843</u>
Total expenditures	<u>\$ 291,800</u>	<u>\$ 415,755</u>	<u>\$ 258,428</u>	<u>\$ 157,327</u>
Excess of revenues over expenditures	\$ 173,200	\$ 15,445	\$ 161,031	\$ 145,586
Fund balance, beginning	<u>1,344,991</u>	<u>1,683,489</u>	<u>1,683,489</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,518,191</u>	<u>\$ 1,698,934</u>	<u>\$ 1,844,520</u>	<u>\$ 145,586</u>

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

NOTE 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.

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SUPPLEMENTARY INFORMATION

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEADFor the Year Ended December 31, 2017
See Independent Accountants' Review Report

Agency Head Name: Richard Rupert

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	4,253
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Telephone	-
	<u>\$ 4,253</u>

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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, 2017, 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. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$30,000 or for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

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

6. Trace the budget adoption and amendments to the minute book.

The original budget was adopted on December 12, 2016. The only amendment to the budget was approved by the Board of Commissioners on September 11, 2017.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or 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 did fail to meet budgeted amounts by 5% or more and actual expenditures did not exceed budgeted amounts by 5% or more.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for four selected disbursements and found that payment was for the proper amount and made to the correct payee. Two selected disbursements did not have supporting documentation, but were routine vendors of the District.

- b. Determine if payments were properly coded to the correct fund and general ledger account; and

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

- c. Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval of each disbursement by a Commission member.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-42:13 (the open meetings law).

Management advertises and post notices of each meeting. Management is also posting the agenda on the door of the Commission before every meeting.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

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

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Commission for the year indicated no approval for the payments noted. We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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.

Brunson Palm, LLP

Lafayette, Louisiana
August 21, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

_____ (CPA Firm Name)

_____ (CPA Firm Address)

_____ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of _____ (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 38:2211-2296, 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.

Susan Arnold Secretary 8/14/18 Date
Alfred August Treasurer _____ Date
Alfred August President 8/14/18 Date

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2017

Finding #2017-1 Timely Deposits

Condition: The entity is not making timely deposits of tax revenues. Taxes remitted by the tax collector in December for the applicable fiscal year for November collections were not deposited until February of the following year. This occurred at the end of the 2014, 2015, and 2016 fiscal years.

Criteria: Effective internal controls require that deposits are restricted upon receipt and should be deposited within a few business days of receipt.

Cause: Deposits of tax revenues are not being made timely when received.

Effect: Checks not deposited timely could either become lost or stolen unless properly secured and timely remitted to the District's depository bank.

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.

Management Response: Bayou Mallet Gravity Drainage District of Acadia Parish will make deposits as taxes are received from the tax collector.

Finding #2017-2 Disbursement Documentation

Condition: The entity is not maintaining supporting documentation for disbursements.

Criteria: Adequate records should be maintained for all disbursements.

Cause: Effective policies and procedures are not in place to ensure the completeness of receipts and disbursements.

Effect: Financial statement amounts may be misstated and/or not properly supported. Failure to implement effective processes and procedures could increase the risks of fraud and potential errors.

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

Management Response: The District will take steps to make sure it has copies of invoices for services before payment is made for future disbursements. If copies are lost, we will request duplicates from the vendor.

Finding #2017-3 Louisiana Audit Law

Condition: The review of the Bayou Mallet Gravity Drainage District of Acadia Parish as of and for the year ended December 31, 2017 was required to be filed with the Legislative Auditor's Office within six months of fiscal year end as required by state law and was not filed within the time period.

Criteria: The engagement was late and the report could not be issued until signed management rep letter and compliance questionnaire was received.

Cause: The District did not provide the schedules and other information the accountants requested in a timely manner.

Effect: The report was not filed in accordance with the Louisiana Audit Act.

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

Management Response: Bayou Mallet Gravity Drainage District of Acadia Parish will comply with the Louisiana Audit Act and file their financial statements by the statutory deadline.

BAYOU MALLET GRAVITY DRAINAGE DISTRICT OF ACADIA PARISH

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2017

Finding #2016-1 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: The finding is not resolved.

Finding #2016-2 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: The finding is not resolved.

Finding #2016-3 Budget Violation

Recommendation: The budget should be adopted based on historical revenue collections and expenditures should be budgeted on current year expectations as to the level of maintenance anticipated. The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance with State Law.

Current Status: Resolved