

BAYOU PLAQUEMINE GRAVITY DRAINAGE  
DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH

REVIEWED FINANCIAL REPORT

DECEMBER 31, 2018

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Commissioners  
Bayou Plaquemine Gravity Drainage  
District No. Twelve of St. Landry Parish  
Opelousas, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish, 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 management. 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 the 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 the financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement 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 as a basis for reporting whether we are aware of any 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 that 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 accordance 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 budgetary comparison information in the table of contents, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The Management Discussion and Analysis, 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.

### **Other Supplementary Information**

The Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed this information and, accordingly, do not express an opinion or provide any assurance on the Schedule of Compensation, Benefits and Other Payments to Agency Head.

In accordance with the Louisiana Government Audit Guide and the provisions of State law, we have issued a report, dated May 21, 2019, on the results of our agreed upon procedures.



Vige, Tujague & Noël  
Eunice, Louisiana  
May 21, 2019

Government Wide Financial Statements (GWFS)

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018

ASSETS

Current assets:

Cash	\$ 197,099
Property tax receivable (net of allowance)	177,574
State revenue sharing	1,696
Prepaid operating lease	116,438
Total current assets	492,807

Non-current assets:

Capital assets, net	13,322
Total non-current assets	13,322

Total assets	506,129
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LIABILITIES

Current liabilities:

Accounts payable	4,107
Salaries payable	800
Payroll taxes payable	835
Total current liabilities	5,742

Total liabilities	5,742
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NET POSITION

Invested in capital assets, net of related debt	13,322
Restricted, Plaquemine project	150,000
Unrestricted	337,065
Total net position	\$ 500,387

See accompanying notes and independent accountant's review report.

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

		<u>Program Revenue</u>		<u>Net (Expenses)</u>
		<u>Charges for</u>	<u>Capital and</u>	<u>Revenues and</u>
	<u>Expenses</u>	<u>Services</u>	<u>Operating</u>	<u>Change in</u>
			<u>Grant</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities:				
General Government				
Public safety	\$ 171,992	\$ -	\$ -	\$ (171,992)
 Total Governmental Activities	 <u>\$ 171,992</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(171,992)</u>
 General Revenues:				
				190,706
				5,039
				3,043
				11,000
				847
				<u>210,635</u>
 Change in net position				 <u>38,643</u>
 Net position - December 31, 2017				 <u>461,744</u>
 Net position - December 31, 2018				 <u>\$ 500,387</u>

See accompanying notes and independent accountant's review report.

Fund Financial Statements (FFS)

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 197,099
Property tax receivable	182,678
Allowance for doubtful accounts	(5,104)
State revenue sharing receivable	1,696
Total assets	\$ 376,369
<b>LIABILITIES AND FUND BALANCES</b>	
Deferred inflows of resources:	
Unavailable revenues - property taxes	\$ 32,965
Unavailable revenues - state revenue sharing	1,696
Total deferred inflows of resources	34,661
Liabilities:	
Accounts payable	4,107
Salaries payable	800
Payroll taxes payable	835
Total liabilities	5,742
Fund balances:	
Assigned	150,000
Unassigned	185,966
Total fund balances	335,966
Total liabilities and fund balances	\$ 376,369

See accompanying notes and independent accountant's review report.

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018

Total fund balance for governmental funds at December 31, 2018		\$ 335,966
<p>Total net position reported for governmental activities in the statement of net position are different because:</p> <p>The statement of net position reports receivables at their net value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.</p>		
Property tax	\$ 32,965	
State revenue sharing	1,696	34,661
Prepaid operating lease reported in government-wide financial statements.		116,438
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p> <p>Buildings, vehicles and equipment, net of \$60,428 accumulated depreciation</p>		
		13,322
Total net position of governmental activities at December 31, 2018		\$ 500,387

See accompanying notes and independent accountant's review report.

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General Fund</u>
Revenues:	
Property tax	\$ 188,709
State revenue sharing	6,711
Interest	847
Miscellaneous	3,043
Total revenues	<u>199,310</u>
Expenditures:	
Current:	
Salaries	42,145
Payroll tax	3,677
Insurance	17,623
Fuel & oil	20,547
Repairs & maintenance	16,621
Materials & supplies	3,190
Board per diem	13,512
Office expense	1,527
Professional fees	14,397
Miscellaneous	1,038
Equipment Lease	21,363
Total expenditures	<u>155,640</u>
Excess (deficiency) of revenues over expenditures	<u>43,670</u>
Other financing sources:	
Proceeds from sale of capital assets	<u>11,000</u>
Total other financing sources	<u>11,000</u>
Net changes in fund balances	54,670
Fund balance, beginning	<u>281,296</u>
Fund balance, ending	<u><u>\$ 335,966</u></u>

See accompanying notes and independent accountant's review report.

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

Total net change in fund balance for the year ended December 31, 2018 per Statements of Revenues, Expenditures and Changes in Fund Balances		\$ 54,670
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received		
Property tax	\$ 1,997	
State revenue sharing	<u>(1,672)</u>	325
Governmental funds report all operating lease payments as expenditures. However, there was a large deposit made on the operating lease and in the statement of governmental activities the cost is allocated over the term of the operating lease and reported as equipment lease. This is the amount of lease payments not reported on the statement of governmental activities.		
	<u>(7,790)</u>	(8,562)
Depreciation expense for the year ended December 31, 2018	<u>(7,790)</u>	<u>(7,790)</u>
Total changes in net position for the year ended December 31, 2018 per Statement of Activities		<u>\$ 38,643</u>

See accompanying notes and independent accountant's review report.

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NO. TWELVE OF ST. LANDRY PARISH

Notes to Financial Statements

**Note 1.** Summary of Significant Accounting Policies

The accounting and reporting practices of Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants. The following is a summary of certain significant accounting policies:

Reporting entity:

Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish is a component unit of the St. Landry Parish Police Jury. As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 St. Landry 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 criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the 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 police jury.

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Notes to Financial Statements

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the five commissioners of the Bayou Plaquemine Gravity Drainage District No. Twelve, the District was determined to be a component unit of the St. Landry Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the generally government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function 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, fines, and charges paid by the recipients of goods and services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statement:

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and

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Notes to Financial Statements

expenditures, or expenses as appropriate.

The general fund, a governmental fund type, is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as described below.

In the fund financial statements, the “current financial resources” measurement focus or the economic resources” measurement focus is used as appropriate:

1. 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 statements of activities, governmental 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 accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and

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Notes to Financial Statements

available as net current assets. Fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days.

Those revenues susceptible to accrual are ad valorem taxes and state revenue sharing income.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Uncollectible ad valorem taxes are estimated based on the prior year's history.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's revenues.

Allocation of indirect expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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Notes to Financial Statements

Use of estimates in the preparation of financial statements:

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

Concentration of Risks

Concentration of risks with respect to the District is subject to the conditions of the limited geographical area of the District.

Budgets:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the Chairman submits to the Board a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a resolution; amendments are also legally enacted through the passage of a resolution.
4. The budget for the general fund is adopted on a fund financial statement basis.
5. The budget for the general fund is employed as a management control device during the year.

All budget appropriations lapse at year end. Revenues may not legally fall short of budgeted amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. The District does not use encumbrance accounting.

The budget amounts disclosed in this report are as originally adopted and amended by the Board.

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Notes to Financial Statements

Cash and Cash Equivalents

Cash includes amounts in demand deposit, interest-bearing demand, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Allowances for Uncollectibles

All receivables that historically represent uncollectible accounts are shown net of an allowance for uncollectible. The allowance for uncollectible accounts in the general fund is estimated at \$5,104.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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 assets is as follows:

	<u>Years</u>
Vehicles	5
Equipment	5 - 10

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Notes to Financial Statements

Net Position and Fund Equity

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

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. 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.
3. Unrestricted net position – All other net position that does not meet the definition of “restricted: or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the fire district’s board – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the district board removes the specified use by taking the same type of action imposing the

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Notes to Financial Statements

commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance.* This classification reflects the amounts constrained by the district's "intent" to be used for specific purposes but are neither restricted nor committed. The fire district's board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Revenues, Expenditures, and Expenses

Program Revenues

Program revenues consist of taxes, fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

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Notes to Financial Statements

**Note 2.** Cash and Cash Equivalents

The cash and cash equivalents of Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. 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 bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Bank account balances at December 31, 2018, totaled 197,099, and the total amount was secured by \$250,000 of FDIC Insurance.

**Note 3.** Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB required a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

**Note 4.** Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "Leases" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It

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Notes to Financial Statements

establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments would include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 30, 2018. Management has not yet determined the effect of this Statement on the financial statements.

**Note 5.** Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in May or June and are actually billed to the taxpayers in the latter part of the fiscal year. Billed taxes become delinquent on January 1 of the following year and January and February of the ensuing year. The following is a summary of the levied ad valorem taxes:

General corporate purpose	
Operations and maintenance	<u>10.00 and 10.00</u>

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are

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Notes to Financial Statements

offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue.

**Note 6.** Capital Assets

Capital asset activity for the year ended December 31, 2018 is as follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Governmental Activities				
Vehicles	\$ 44,330	\$ -	\$ -	\$ 44,330
Equipment	268,651	-	(239,231)	29,420
Totals	<u>312,981</u>	<u>-</u>	<u>(239,231)</u>	<u>73,750</u>
Less accumulated depreciation				
Vehicles	23,743	7,266	-	31,009
Equipment	268,126	524	(239,231)	29,419
Total accumulated depreciation	<u>291,869</u>	<u>7,790</u>	<u>(239,231)</u>	<u>60,428</u>
Governmental Activities				
Capital assets, net	<u>\$ 21,112</u>	<u>\$ (7,790)</u>	<u>\$ -</u>	<u>\$ 13,322</u>

**Note 7.** Commitments

Leasing arrangements

The District leased a 2016 Hyundai HX300L Excavator, on December 14, 2017, which is accounted for as an operating lease and expires in thirty-six months. The District made a down payment in the amount of \$125,000.

The following is a schedule by year of minimum future rentals on noncancelable operating lease as of December 31, 2018:

Year Ending December 31,	
2019	\$ 58,219
2020	<u>58,219</u>
Total minimum future rentals	<u>\$ 116,438</u>

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT  
NO. TWELVE OF ST. LANDRY PARISH

Notes to Financial Statements

**Note 8.** Litigation

Pursuant to Article XII, Section 10/C of the Louisiana Constitution of 1974, The District is not required to pay any judgments unless appropriations have been made for the judgments. As of December 31, 2018, the District had not appropriated funds for the payment of the following judgments:

1. A judgment filed May 6, 1974 for \$5,339 plus court costs and legal interest accumulated from August 18, 1969.
2. A judgment filed December 13, 1983 for \$20,849 plus 12% interest accumulated from December 1, 1980.

**Note 9.** Per Diem and Mileage

Per diem and mileage paid to board members is summarized below:

Board Members	Per Diem	Expenses and Mileage
Andrew White	\$ 1,950	\$ 78
Ira Stanford	1,950	78
Ted Marcantel	1,800	72
Nolan Joubert	1,950	78
Michael J. Bourgeois	1,950	3,606
	\$ 9,600	\$ 3,912

**Note 10.** Subsequent Events

The District has evaluated subsequent events through May 21, 2019, the date which the report was available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property tax	\$ 170,000	\$ 181,462	\$ 188,709	\$ 7,247
State revenue sharing	4,500	5,037	6,711	1,674
Interest	100	828	847	19
Miscellaneous	3,000	3,043	3,043	-
Total revenues	<u>177,600</u>	<u>190,370</u>	<u>199,310</u>	<u>8,940</u>
Expenditures:				
Current:				
Salaries	45,000	42,850	42,145	705
Payroll tax	3,600	3,894	3,677	217
Insurance	16,450	17,040	17,623	(583)
Fuel & oil	15,000	21,244	20,547	697
Repairs & maintenance	11,200	13,838	16,621	(2,783)
Materials & supplies	6,000	5,414	3,190	2,224
Travel	3,900	3,912	3,918	(6)
Board per diem	9,000	9,600	9,594	6
Office expense	600	907	1,527	(620)
Professional fees	12,350	13,777	14,397	(620)
Miscellaneous	960	1,298	1,038	260
Spraying expense	10,000	-	-	-
Equipment lease	16,552	18,830	21,363	(2,533)
Total expenditures	<u>150,612</u>	<u>152,604</u>	<u>155,640</u>	<u>(3,036)</u>
Excess (deficiency) of revenues over expenditures	<u>26,988</u>	<u>37,766</u>	<u>43,670</u>	<u>5,904</u>
Other financing sources:				
Proceeds from sale of capital assets	-	-	11,000	11,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>11,000</u>
Net changes in fund balances	<u>\$ 26,988</u>	<u>\$ 37,766</u>	<u>54,670</u>	<u>\$ 16,904</u>
Fund balance, beginning			<u>281,296</u>	
Fund balance, ending			<u>\$ 335,966</u>	

See accompanying notes and independent accountant's review report.

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT  
NO. TWELVE OF ST. LANDRY PARISH

Notes to Budgetary Comparison Schedule

1. Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

2. Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-R.S. 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting used by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting record is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

3. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations: The General Fund had actual expenditures in excess of appropriations for the year ended December 31, 2018.

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
<u>\$ 150,612</u>	<u>\$ 152,604</u>	<u>\$ 155,640</u>	<u>\$ 3,036</u>

SUPPLEMENTARY INFORMATION

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT NO. TWELVE  
OF ST. LANDRY PARISH  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Michael John Bourgeois, President  
Service Period: 12 Months

<u>Purpose</u>	<u>Amount</u>
Board per diem	\$ 1,950
Expenses and mileage	3,606
Total	<u>\$ 5,556</u>

**VIGE, TUJAGUE  NOEL**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2<sup>ND</sup> STREET  
P. O. BOX 1006  
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.  
FRANK G. TUJAGUE, C.P.A.  
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:  
337-457-9324  
FAX:  
337-457-8743

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES

To the Board of Commissioners  
Bayou Plaquemine Gravity Drainage  
District No. Twelve of St. Landry Parish  
Opelousas, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish and the Legislative Auditor, State of Louisiana, on the District's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Bayou Plaquemine Gravity Drainage District No. Twelve of St. Landry Parish is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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 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 materials 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.

We noted no expenditures made during the year for materials and supplies exceeding \$30,000 or 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 requested information.

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

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

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.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

### **Budgeting**

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

Management provided us with a copy of the original budget.

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.

We traced adoption of the original and amended budget to documentation in the minutes of the meeting of the District's board.

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 whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year did not exceed budgeted amounts by more than 5%.

### **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 the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger

account.

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

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

All of the 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 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Evidence was obtained to support management's assertion.

### **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 scanned copies of all bank deposit slips for the fiscal year, 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 scanned payroll disbursements and read the meeting minutes of the District's board of commissioners for the fiscal year. We found no payments or approval for payments to employees that would 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.

The District's report was submitted within the required reporting period.

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).

The District was in compliance with R.S. 24:513 for the fiscal year. The District did not enter into any contracts using state funds in the fiscal year.

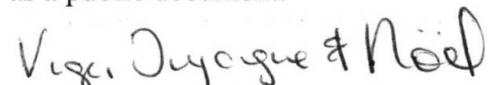
**Prior Comments and Recommendations**

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

Management represented that prior-year recommendations, relating to the issuance of debt, have been resolved.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the District’s compliance with the foregoing matters. Accordingly, we do not express such an opinion or 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 the District’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

  
Vige, Tujague & Noël, CPA’s  
Eunice, Louisiana  
May 21, 2019

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT  
NO. TWELVE OF ST. LANDRY PARISH  
SCHEDULE OF CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2018

Current Findings:

There were no findings for the current year ended December 31, 2018.

BAYOU PLAQUEMINE GRAVITY DRAINAGE DISTRICT  
NO. TWELVE OF ST. LANDRY PARISH  
SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2018

Finding 2017-001 Issuance of Debt

- Condition: The Constitution provides that “No bonds or other obligations shall be issued or sold by the state, directly or through any state board, agency or commission, or by any political subdivision of the state, unless written approval of the bond commission is obtained.”
- Criteria: The District is required to get approval from the Louisiana State Bonding Commission prior to incurring debt that extends beyond a ninety day period.
- Cause: The policy for issuance of debt was not followed. The District entered into a noncancelable operating lease arrangement that was for a period of 36 months, for lease of equipment, without the prior approval of the Louisiana State Bonding Commission.
- Effect: The District was in violation of State law by incurring debt without the prior approval of the Louisiana State Bonding Commission.
- Recommendation: The District should follow the policy for incurring debt and request approval from the Louisiana State Bonding Commission for all future borrowings that exceed a ninety day period.
- Corrective Action Plan: The District will follow the laws as related to the issuance of debt. We were unaware of the required approval for operating leases. The lease was obtained to better manage the cash flow of the District. The District will seek approval from the Louisiana State Bonding Commission prior to obtaining any future leasing arrangements.
- Status: This finding is clear.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_  
VIGE, TUJAGUE & NOEL (CPA Firm Name)

\_\_\_\_\_  
P.O. BOX 1006 (CPA Firm Address)

\_\_\_\_\_  
EUNICE, LOUISIANA 70535 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 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 [ X ] 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 [ X ] 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 [ X ] 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 [ X ] 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 [ X ] No [ ]

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

Yes [ X ] No [ ]

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

Yes [ X ] 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 [ X ] 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 [ X ] 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.

<u>Matt Lech</u>	Secretary	<u>5-21-19</u>	Date
<u>Matt Lech</u>	Treasurer	<u>5-21-19</u>	Date
<u>Michael B. Boyer</u>	President	<u>5-21-19</u>	Date