

BAYOU MALLET AND PLAQUEMINE GRAVITY
DRAINAGE DISTRICT NO. 10
OF ST. LANDRY PARISH

FINANCIAL REPORT

December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bayou Mallet and Plaquemine Gravity Drainage
District No. 10 of St. Landry Parish
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Drainage District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10, as of, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

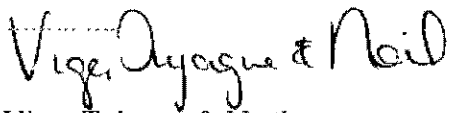
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10. The accompanying schedule of compensation, benefits, and other payments to agency head and other supplementary information, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information and schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates

directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2019, on our consideration of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bayou Mallet and Plaquemine Gravity Drainage District No. 10's internal control over financial reporting and compliance.



Vige, Tujague & Noël
Eunice, Louisiana
June 10, 2020

BASIC FINANCIAL STATEMENTS

The Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish's basic financial statements comprise the following three components.

Government-wide financial statements – provides readers with a broad overview of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish's finances in a manner similar to a private sector business.

Fund financial statements – provides readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting near-term financial needs.

Notes to basic financial statements – provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS

Current assets:	
Cash	\$ 1,112,164
Receivables (net of allowances)	
Property tax	486,363
State revenue sharing	4,686
Prepaid expenses	5,111
Total current assets	1,608,324
Noncurrent assets:	
Capital assets, net	256,811
Water deposit	275
Total non-current assets	257,086
Total assets	1,865,410

LIABILITIES

Current liabilities:	
Accounts payable and accrued expenses	8,019
Interest payable	2,521
Current portion of bonds payable	40,000
Total current liabilities	50,540
Noncurrent liabilities:	
Bonds payable	176,000
Total noncurrent liabilities	176,000
Total liabilities	226,540

NET POSITION

Invested in capital assets, net of related debt	40,811
Unrestricted	1,598,059
Total net position	\$ 1,638,870

The accompanying notes are an integral part of the basic financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenue		Net (Expenses)
		Charges for	Capital and	Revenues and
	Expenses	Services	Operating	Change in
			Grant	Net Position
Governmental Activities:				Governmental
General Government				Activities
Public safety	\$ 322,375	\$ -	\$ -	\$ (322,375)
Interest	7,729	-	-	(7,729)
	\$ 330,104	\$ -	\$ -	(330,104)
General Revenues:				
				495,448
				6,554
				8,674
				510,701
Change in net position				180,597
Net position - December 31, 2018				1,458,273
Net position - December 31, 2019				\$ 1,638,870

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The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
BALANCE SHEET ALL - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash in bank	\$ 980,254	\$ 131,910	\$ 1,112,164
Property taxes receivable, net	461,758	24,605	486,363
State revenue sharing receivable	4,686	-	4,686
Water deposit	275	-	275
Prepaid expenses	5,111	-	5,111
Total assets	<u>\$ 1,452,084</u>	<u>\$ 156,515</u>	<u>\$ 1,608,599</u>
 LIABILITIES AND FUND BALANCES			
Deferred inflows of resources:			
Unavailable revenues	\$ 34,702	\$ 1,618	\$ 36,320
Total deferred inflows of resources	<u>34,702</u>	<u>1,618</u>	<u>36,320</u>
Liabilities:			
Accounts payable	5,233	-	5,233
Accrued payroll taxes	2,786	-	2,786
Total liabilities	<u>8,019</u>	<u>-</u>	<u>8,019</u>
Fund balances:			
Committed for debt service	-	154,897	154,897
Unassigned	1,409,363	-	1,409,363
Total fund balances	<u>1,409,363</u>	<u>154,897</u>	<u>1,564,260</u>
 Total liabilities and fund balances	 <u>\$ 1,452,084</u>	 <u>\$ 156,515</u>	 <u>\$ 1,608,599</u>

The accompanying notes are an integral part of the basic financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total fund balance for governmental funds at December 31, 2019		\$ 1,564,260
Total net position reported for governmental activities in the statement of net position are different because:		
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.		
Property tax	31,634	
State Revenue Sharing	4,686	36,320
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment net of \$600,922 accumulated depreciation		256,811
Long-term liabilities at December 31, 2019		
Bonds payable		(216,000)
Interest payable on bonds		(2,521)
Total net position of governmental activities at December 31, 2019		\$ 1,638,870

The accompanying notes are an integral part of the basic financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:			
Property tax	\$ 469,253	\$ 26,102	\$ 495,355
Intergovernmental	6,554	-	6,554
Interest	8,036	638	8,674
Miscellaneous	25	-	25
Total revenues	<u>483,868</u>	<u>26,740</u>	<u>510,608</u>
Expenditures:			
Current:			
Salaries	55,800	-	55,800
Payroll taxes and benefits	9,734	-	9,734
Chemical treatment - canals	93,115	-	93,115
Fuel and oil	36,251	-	36,251
Equipment repairs and maintenance	13,749	-	13,749
Insurance	10,144	-	10,144
Travel reimbursement	13,575	-	13,575
Telephone	2,910	-	2,910
Board per diem	5,900	-	5,900
Miscellaneous	4,805	-	4,805
Professional fees	26,290	-	26,290
Debt service			
Principal	-	40,000	40,000
Interest	-	8,062	8,062
Total expenditures	<u>272,273</u>	<u>48,062</u>	<u>320,335</u>
Excess (deficiency) of revenues over expenditures	211,595	(21,322)	190,273
Fund balance, beginning	<u>1,197,768</u>	<u>176,219</u>	<u>1,373,987</u>
Fund balance, ending	<u>\$1,409,363</u>	<u>\$154,897</u>	<u>\$1,564,260</u>

The accompanying notes are an integral part of the basic financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 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, 2019

Total net change in fund balance for the year ended December 31, 2019 per Statements of Revenues, Expenditures and Changes in Fund Balances		\$ 190,273
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	\$ 1,126	
State Revenue Sharing	<u>(1,033)</u>	93
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay which is considered expenditures on the Statements of Revenues, Expenditures, and Changes in Fund Balances		
12/31/2019	<u>(50,102)</u>	(50,102)
Bond principal retirement considered an expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances		
12/31/2019		<u>40,000</u>
12/31/2019		<u>333</u>
12/31/2019 per Statement of Activities		<u>\$ 180,597</u>

The accompanying notes are an integral part of the basic financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting practices of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish, Louisiana 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:

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the District 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 District 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 District.
2. Organizations for which the District does not appoint a voting majority but are fiscally dependent on the District.
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.

The entity being reported on is the Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish, Louisiana, which is a component unit of the St. Landry Parish Government. The financial report includes all funds over which the District exercises oversight

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District was created by the St. Landry Parish Government as authorized by Louisiana Revised Statute 38:1751. The District is governed by a Board of Commissioners, which consists of five commissioners, appointed by the St. Landry Parish Government.

The District was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish, Louisiana, as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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 expenditures, or expenses as appropriate.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

The debt service fund, a governmental fund type, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. The debt service fund is established to meet requirements of bond ordinances.

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:

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.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 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 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; 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.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 Commissioner 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.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 réceivables 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 \$0. The allowance for uncollectible accounts in the debt service fund is estimated at \$0.

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 \$300 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:

Equipment	5 - 20 years
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BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position and Fund Equity

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

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.

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.

Unrestricted net position – All other net positions that do not meet the definition of “restricted: or “invested in capital assets, net of related debt.”

When both restricted and unrestricted net positions are available for use, it is the District’s policy to use restricted resources first.

Generally, governmental fund balances represent the difference between current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report 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 –

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 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 both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available for use, it is the District's policy to use restricted resources first. 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.

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

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods-and-services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Compensated Absences/Pension Plan

The District does not have a pension plan. Board members and employees participate in the Social Security Retirement System. The vacation and sick leave policy was adopted in May 2011. Full time employees of the District may earn five days of annual leave and five days of sick leave after the first full year of employment. Annual leave must be taken in the year earned and cannot be paid or carried forward from year to year. A maximum of five days of unused sick leave may be carried forward to the following year. Payment of unused annual leave or sick leave will not be made upon retirement or termination of employment.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements.

Note 2. Cash and Cash Equivalents

The cash and cash equivalents of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish are subject to the following risk:

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 2. Cash and Cash Equivalents (Continued)

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, 2019, totaled \$754,663, and of this amount \$250,000 was secured by FDIC Insurance. The remaining amount of \$504,663 was secured with pledged securities from St. Landry Homestead.

Note 3. Ad Valorem Taxes

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The millage assessed by the District in 2019 was:

Debt Service	1.2 mills
Maintenance	22.26 mills

The District was required to remit 2.87% in 2019 of the total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of pension fund distributions. A breakdown of tax receivable, prior to any year-end receipts, per the tax roll is as follows:

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 3. Ad Valorem Taxes (Continued)

Total per tax roll	\$ 519,107
Pension fund requirements	(16,676)
Allowance for uncollectible tax	<u>(3,365)</u>
	499,066
Taxes collected in December 2019	<u>(12,703)</u>
Tax receivable	<u><u>\$ 486,363</u></u>

An estimated allowance for uncollectible property tax has been set up based on prior year experience.

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

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2019 is as follows:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Governmental Activities				
Equipment	\$ 857,733			\$ 857,733
Totals	<u>857,733</u>	<u>-</u>	<u>-</u>	<u>857,733</u>
Less accumulated depreciation				
Equipment	550,820	50,102		600,922
Total accumulated depreciation	<u>550,820</u>	<u>50,102</u>	<u>-</u>	<u>600,922</u>
Governmental Activities				
Capital assets, net	<u>\$ 306,913</u>	<u>\$ (50,102)</u>	<u>\$ -</u>	<u>\$ 256,811</u>

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 5. General Obligation Bonds

Changes in bonds payable are as follows:

	Balances at January 1, 2019	Additions	Retirements	Balances at December 31, 2019	Balances Due Within One Year
2014 Bonds Payable	\$ 256,000	\$ -	\$ 40,000	\$ 216,000	\$ 40,000

The District had an election November 16, 2013, which provided for issuance of \$400,000 of general obligation bonds. The District has general obligation bonds dated July 16, 2014. These bonds are payable over a ten (10) year period with the final payment due on March 1, 2024. These bonds carry a variable rate of interest, from 1.00% to 4.25%. Annual debt service requirements to maturity for these bonds are as follows:

Year Ending December 31,	Interest Payments	Principal Payments	Total
2020	\$ 6,988	\$ 41,000	\$ 47,988
2021	5,784	42,000	47,784
2022	4,402	43,000	47,402
2023	2,802	44,000	46,802
2024	978	46,000	46,978
	<u>\$ 20,954</u>	<u>\$ 216,000</u>	<u>\$ 236,954</u>

Bond proceeds are to be used to purchase equipment.

This Bond and the issue of which it forms a part constitute general obligations of the Issuer, and the full faith and credit of the Issuer is pledged for the payment of this Bond and the issue of which it forms a part. Said Bonds are secured by a special ad valorem tax to be imposed and collected annually in excess of all other taxes on all property subject to such taxation within the territorial limits of the Issuer, under the Constitution and laws of Louisiana, sufficient in amount to pay the principal of this Bond and the issue of which it forms a part and the interest thereon as they severally mature.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA

Notes to Financial Statements

Note 6. 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 7. 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 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 fiscal year 2021. 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 fiscal year 2019. Management has not yet determined the effect of this Statement on the financial statements.

**BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH, LOUISIANA**

Notes to Financial Statements

Note 8. Compensation Paid to Board Members

Compensation paid to board members for the year ended December 31, 2019, is as follows:

Wayne Reiners	\$ 200
Floyd Dupre	1,200
Howard Owens	1,200
Herbert Amy, Jr.	1,200
James H. Lafleur	1,100
Debra Thomas	1,000

The following board members were reimbursed for the business use of their personal vehicles for the year ended December 31, 2019.

Floyd Dupre	\$8,100
James H. Lafleur	5,475

Note 9. Subsequent Events

The District has evaluated subsequent events through June 10, 2020, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property tax	\$ 422,558	\$ 438,804	\$ 469,253	\$ 30,449
Intergovernmental	7,003	4,210	6,554	2,344
Interest	1,758	3,705	8,036	4,331
Miscellaneous	-	25	25	-
Total revenues	<u>431,319</u>	<u>446,744</u>	<u>483,868</u>	<u>37,124</u>
Expenditures:				
Current:				
Salaries	48,390	52,559	55,800	(3,241)
Payroll taxes and benefits	9,373	9,132	9,734	(602)
Chemical treatment - canals	68,895	93,115	93,115	-
Fuel and oil	32,274	33,911	36,251	(2,340)
Equipment repairs and maintenance	25,098	14,151	13,749	402
Insurance	31,410	18,356	10,144	8,212
Travel reimbursement	12,379	13,452	13,575	(123)
Telephone	3,259	2,930	2,910	20
Board per diem	6,000	5,900	5,900	-
Miscellaneous	4,155	5,434	4,805	629
Professional fees	25,945	25,960	26,290	(330)
Total expenditures	<u>267,178</u>	<u>274,900</u>	<u>272,273</u>	<u>2,627</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 164,141</u>	<u>\$ 171,844</u>	211,595	<u>\$ 39,751</u>
Fund balance, beginning			<u>1,197,768</u>	
Fund balance, ending			<u>\$ 1,409,363</u>	

The accompanying notes are an integral part of the basic financial statements.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH

Notes to Budgetary Comparison Schedules

(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 – RS 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 records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

SUPPLEMENTARY INFORMATION

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
DECEMBER 31, 2019

Agency Head Name: Floyd Dupre, President
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Board per diem	\$ 1,200
Reimbursements	8,100

VIGE, TUJAGUE & NOEL

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Bayou Mallet and Plaquemine Gravity Drainage
District No. 10 of St. Landry Parish
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Bayou Mallet and Plaquemine Gravity Drainage District No. 10's basic financial statements, and have issued our report thereon dated June 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bayou Mallet and Plaquemine Gravity Drainage District No. 10's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

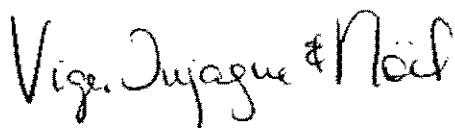
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bayou Mallet and Plaquemine Gravity Drainage District No. 10's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 10, 2020

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2019

We have audited the financial statements of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 as of and for the year ended December 31, 2019 and have issued our report dated June 10, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2019 resulted in an unmodified opinion.

Section I Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No

Significant Deficiencies Yes None reported

Compliance

Compliance Material to Financial Statements Yes No

No separate management letter was issued.

Section II Financial Statement Findings

None.

Section III Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 2019.

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE
DISTRICT NO. 10 OF ST. LANDRY PARISH
SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2019

I Internal Control and Compliance Material to the Financial Statements

The prior year's report did not include any findings.

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

The prior year's report did not include a management letter.

BAYOU MALLET AND PLAQUEMINE GRAVITY
DRAINAGE DISTRICT NO.10
OF ST. LANDRY PARISH
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED DECEMBER 31, 2019

VIGE, TUJAGUE  NOEL

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Management and Board of Commissioners of the Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Report all exceptions to the following procedures, either after each procedure or after all procedures within each of the twelve AUP categories. "Random" selections may be made using Microsoft Excel's random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide-*Audit Sampling*).

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

The entity has policies and procedures addressing budgeting.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The entity has policies and procedures addressing purchasing.

- c) **Disbursements**, including processing, reviewing, and approving

The entity has policies and procedures addressing disbursements.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The entity has policies and procedures addressing collections.

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

The entity has policies and procedures addressing payroll and personnel.

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

The entity has policies and procedures addressing contracting.

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

The entity does not have any credit cards, debit cards, or fuel cards.

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

The entity has policies and procedures addressing travel and expense reimbursements.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The entity has policies and procedures addressing ethics.

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

The entity has policies and procedures addressing debt service.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity does have written policies and procedures addressing disaster recovery/business continuity.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes do include monthly budget-to-actual comparisons.

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

Obtained the prior year audit report and observed that the unrestricted fund balance was a positive balance.

Bank Reconciliations

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

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

Bank reconciliations include evidence that they are prepared monthly.

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

The bank reconciliations prepared for all accounts examined did have evidence of management review, and reconciliations are prepared by a fee accountant.

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

Obtained bank statements and reconciliations and noted there are no items that have been outstanding for more than 12 months from the statement closing date.

Collections

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

Obtained a listing of deposit sites and management's representation that the listing is complete.

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

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

No exceptions noted.

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

The fee accountant collects all payments and prepares the bank deposits.

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

The fee accountant collects cash and posts collection entries to the general ledger.

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

The fee accountant is responsible for reconciling cash collections to the general ledger.

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

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Not applicable. All revenues are received in the form of a check by mail to the fee accountant's office.

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

Traced receipts or collections documentation to the deposit slip with no exceptions.

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

Traced the deposit slip total to the actual deposit per the bank statement with no exceptions.

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

Deposits selected were made within one business day of receipt at the collection location.

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

Traced the actual deposit per the bank statement to the general ledger with no exception.

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

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

Listing of locations and disbursements and management's representation that the listing is complete was obtained.

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

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

No exceptions noted.

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

No exceptions noted.

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

The fee accountant processes payments and adds/modifies vendor files. A board member reviews and signs the checks.

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

No exceptions noted.

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

Obtained the entity's non-payroll disbursements transactions population and management's representation that the population was complete.

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

No exceptions noted.

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

No exceptions noted.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons

who maintained possession of the cards. Obtain management's representation that the listing is complete.

There are no active credit cards, bank debit cards, fuel cards, or P-cards. Management has represented that this is accurate.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Not applicable.

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

Not applicable.

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

Not applicable.

Travel and Expense Reimbursement

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

Obtained a listing of all travel and related expense reimbursements from management, and their representation that the listing is complete. The entity's written policies related to travel and expense reimbursements explain that the entity uses the GSA rates.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

There were no contracts in effect during the fiscal period. Obtained management's representation that this is accurate.

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

Not applicable.

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

Not applicable.

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

Not applicable.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract

Not applicable.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No employees were terminated during the fiscal period.

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

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted.

Debt Service

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

There was no debt issued during the fiscal period.

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

Obtained documentation supporting that the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Other

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

Management has asserted that the entity did not have any misappropriation of public funds or assets.

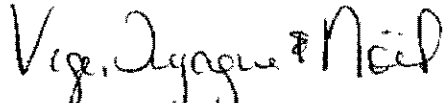
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the entity's premises.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed

additional procedures, other matters might have come to our attention that would have been reported to you.

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



Vige, Tujague & Noel

Eunice, Louisiana

June 10, 2020

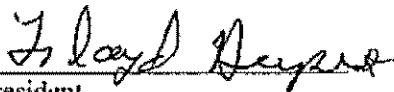
BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE DISTRICT
NO. 10 OF ST. LANDRY PARISH

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

Management Response to Item:

9c

Efforts will be made to segregate duties in these areas as much as possible with the limited number of employees involved.



President