

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

FINANCIAL REPORT

December 31, 2017

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	4
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	7
Statement of Activities	8
FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14-26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	28
Notes to the Budgetary Comparison Schedules	29
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	31
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 <i>GOVERNMENT AUDITING STANDARDS</i>	32-33
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION PLAN	34
STATUS OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN	35

# 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 AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **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 the 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 judgement, 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 of St. Landry Parish, Louisiana, as of December 31, 2017, 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, listed 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied 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.

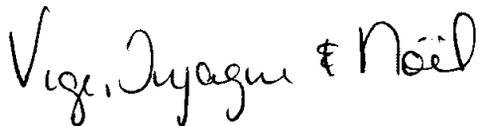
*Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Bayou Mallet and Plaquemine Gravity District No. 10 of St. Landry Parish. The accompanying schedule of compensation, benefits, and other payments to agency head, 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 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 is fairly stated, in all material respects, in relation to the basic financial statements, as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018, 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 District No. 10's internal control over financial reporting and compliance.



Vige, Tujague & Noël  
Eunice, Louisiana  
June 20, 2018

## 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, 2017

ASSETS

Current assets:	
Cash	\$ 680,881
Receivables (net of allowances)	
Property tax	523,869
State revenue sharing	7,088
Total current assets	1,211,838
Noncurrent assets:	
Capital assets, net	357,015
Water deposit	275
Total non-current assets	357,290
Total assets	1,569,128

LIABILITIES

Current liabilities:	
Accounts payable and accrued expenses	9,164
Interest payable	3,139
Current portion of bonds payable	38,000
Total current liabilities	50,303
Noncurrent liabilities:	
Bonds payable	256,000
Total noncurrent liabilities	256,000
Total liabilities	306,303

NET POSITION

Invested in capital assets, net of related debt	63,015
Unrestricted	1,199,810
Total net position	\$ 1,262,825

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, 2017

		<u>Program Revenue</u>		<u>Net (Expenses) Revenues and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital and Operating Grant</u>	<u>Governmental Activities</u>
Governmental Activities:				
General Government				
Public safety	\$ 273,283	\$ -	\$ -	\$ (273,283)
Interest	10,363	-	-	(10,363)
Total Governmental Activities	<u>\$ 283,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(283,646)</u>
General Revenues:				
				531,665
				6,516
				1,806
				<u>539,988</u>
Change in net position				256,342
Net position - December 31, 2016				<u>1,006,483</u>
Net position - December 31, 2017				<u>\$ 1,262,825</u>

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, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash in bank	\$ 589,167	\$ 91,714	\$ 680,881
Property taxes receivable, net	422,787	101,082	523,869
State revenue sharing receivable	7,088	-	7,088
Water deposit	275	-	275
Due from other funds	-	2,285	2,285
Total assets	<u>\$ 1,019,317</u>	<u>\$ 195,081</u>	<u>\$ 1,214,398</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Deferred inflows of resources:			
Unavailable revenues	<u>\$ 18,258</u>	<u>\$ 3,176</u>	<u>\$ 21,434</u>
Total deferred inflows of resources	<u>18,258</u>	<u>3,176</u>	<u>21,434</u>
Liabilities:			
Accounts payable	6,653	-	6,653
Accrued payroll taxes	2,511	-	2,511
Due to other funds	2,285	-	2,285
Total liabilities	<u>11,449</u>	<u>-</u>	<u>11,449</u>
Fund balances:			
Committed for debt service	-	191,905	191,905
Unassigned	<u>989,610</u>	<u>-</u>	<u>989,610</u>
Total fund balances	<u>989,610</u>	<u>191,905</u>	<u>1,181,515</u>
 Total liabilities and fund balances	 <u>\$ 1,019,317</u>	 <u>\$ 195,081</u>	 <u>\$ 1,214,398</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, 2017

Total fund balance for governmental funds at December 31, 2017		\$ 1,181,515
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	16,709	
State Revenue Sharing	<u>4,725</u>	21,434
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 \$500,718 accumulated depreciation		357,015
Long-term liabilities at December 31, 2017		
Bonds payable		(294,000)
Interest payable on bonds		<u>(3,139)</u>
Total net position of governmental activities at December 31, 2017		<u>\$ 1,262,825</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  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:			
Property tax	\$ 448,019	\$ 100,199	\$ 548,218
Intergovernmental	6,516	-	6,516
Interest	1,607	199	1,806
Miscellaneous	1	-	1
Total revenues	<u>456,143</u>	<u>100,398</u>	<u>556,541</u>
Expenditures:			
Current:			
Salaries	44,903	-	44,903
Payroll taxes and benefits	7,407	-	7,407
Chemical treatment - canals	66,397	-	66,397
Fuel and oil	26,738	-	26,738
Equipment repairs and maintenance	5,817	-	5,817
Insurance	26,462	-	26,462
Travel reimbursement	12,312	-	12,312
Telephone	2,653	-	2,653
Board per diem	6,000	-	6,000
Miscellaneous	6,162	-	6,162
Professional fees	17,080	-	17,080
Capital outlay	-	-	-
Debt service			
Principal	-	37,000	37,000
Interest	-	9,740	9,740
Bank charges	-	-	-
Total expenditures	<u>221,931</u>	<u>46,740</u>	<u>268,671</u>
Excess (deficiency) of revenues over expenditures	234,212	53,658	287,870
Fund balance, beginning	<u>755,398</u>	<u>138,247</u>	<u>893,645</u>
Fund balance, ending	<u>\$ 989,610</u>	<u>\$ 191,905</u>	<u>\$ 1,181,515</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, 2017

Total net change in fund balance for the year ended December 31, 2017 per Statements of Revenues, Expenditures and Changes in Fund Balances		\$ 287,870
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	\$ (17,130)	
State Revenue Sharing	577	(16,553)
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	-	
Depreciation expense for the years ended December 31, 2017	(51,352)	(51,352)
Bond principal retirement considered an expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances		37,000
Accrued interest payable at December 31, 2017		(623)
Total changes in net position for the year ended December 31, 2017 per Statement of Activities		\$ 256,342

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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. 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 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 \$3,318. The allowance for uncollectible accounts in the debt service fund is estimated at \$881.

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 Interest-Bearing Deposits**

For reporting purposes, cash and investments include cash, demand deposits, time deposits, and government backed mortgage securities. The District may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal

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

Notes to Financial Statements

**Note 2.** Cash and Interest-Bearing Deposits (continued)

office in the State of Louisiana, or any other federally insured investment. The District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. At December 31, 2017 the District has cash and interest bearing deposits totaling \$683,348.

Under state law, these deposits in financial institutions must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, be equal to the amount on deposit with the bank. At December 31, 2017, deposits in financial institutions were fully secured by federal deposit insurance and the market value of securities pledged in the District's name.

**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 2017 was:

Debt Service	5.33 mills
Maintenance	22.26 mills

The District was required to remit 3.5410% in 2017 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	\$ 557,608
Pension fund requirements	(17,979)
Allowance for uncollectible tax	<u>(4,199)</u>
	535,430
Taxes collected in December 2017	<u>(11,561)</u>
Tax receivable	<u><u>\$ 523,869</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.

Millage collections exceeded debt service payments by more than 10% during the year.

**Note 4.** Capital Assets

Capital asset activity for the year ended December 31, 2017 is as follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities				
Equipment	\$ 857,733			\$ 857,733
Totals	<u>857,733</u>	<u>-</u>	<u>-</u>	<u>857,733</u>
Less accumulated depreciation				
Equipment	449,366	51,352		500,718
Total accumulated depreciation	<u>449,366</u>	<u>51,352</u>	<u>-</u>	<u>500,718</u>
Governmental Activities				
Capital assets, net	<u>\$ 408,367</u>	<u>\$ (51,352)</u>	<u>\$ -</u>	<u>\$ 357,015</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, 2017	Additions	Retirements	Balances at December 31, 2017	Balances Due Within One Year
2014 Bonds Payable	\$ 331,000	\$ -	\$ 37,000	\$ 294,000	\$ 38,000

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
2018	\$ 8,990	\$ 38,000	\$ 46,990
2019	8,062	40,000	48,062
2020	6,988	41,000	47,988
2021	5,784	42,000	47,784
2022	4,402	43,000	47,402
2023-2024	3,780	90,000	93,780
	<u>\$ 38,005</u>	<u>\$ 294,000</u>	<u>\$ 332,005</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.** Compensation Paid to Board Members

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

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

The following board members were reimbursed for the business use of their personal vehicles for the year ended December 31, 2017.

Floyd Dupre	\$7,128
James H. Lafleur	5,184

**Note 7.** Subsequent Events

The District has evaluated subsequent events through June 20, 2018, 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, 2017

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>				
Property tax	\$ 336,323	\$ 348,946	\$ 448,019	\$ 99,073
Intergovernmental	6,670	6,227	6,516	289
Interest	755	1,132	1,607	475
Miscellaneous	-	-	1	1
Total revenues	<u>343,748</u>	<u>356,305</u>	<u>456,143</u>	<u>99,838</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Salaries	52,933	44,753	44,903	(150)
Payroll taxes and benefits	7,684	7,398	7,407	(9)
Chemical treatment - canals	60,270	66,397	66,397	-
Fuel and oil	20,345	22,748	26,738	(3,990)
Equipment repairs and mainten:	9,238	4,641	5,817	(1,176)
Insurance	24,453	26,461	26,462	(1)
Travel reimbursement	12,462	12,360	12,312	48
Telephone	3,523	2,690	2,653	37
Board per diem	6,000	6,000	6,000	-
Miscellaneous	5,392	3,935	6,162	(2,227)
Professional fees	17,918	16,690	17,080	(390)
Capital outlay	-	-	-	-
Total expenditures	<u>220,218</u>	<u>214,073</u>	<u>221,931</u>	<u>(7,858)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 123,530</u>	<u>\$ 142,232</u>	234,212	<u>\$ 91,980</u>
Fund balance, beginning			<u>755,398</u>	
Fund balance, ending			<u>\$ 989,610</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.

(3) Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended December 31, 2017:

General Fund	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
	\$220,218	\$214,073	\$221,931	\$(7,858)

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, 2017

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

<u>Purpose</u>	<u>Amount</u>
Board per diem	\$ 1,200
Reimbursements	7,578

**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 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 Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish's basic financial statements, and have issued our report thereon dated June 20, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish'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 Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish'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.

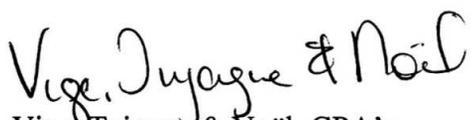
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish'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 20, 2018

BAYOU MALLET AND PLAQUEMINE GRAVITY DRAINAGE  
DISTRICT NO. 10 OF ST. LANDRY PARISH  
SCHEDULE OF FINDINGS AND CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2017

We have audited the financial statements of Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish as of and for the year ended December 31, 2017 and have issued our report dated June 20, 2018. 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, 2017 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**

There were no financial statement findings for the year ended December 31, 2017.

**Section III Internal Control and Compliance Material to Federal Awards**

There were no federal awards for the year ended December 31, 2017.

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, 2017

**I Internal Control and Compliance Material to the Financial Statements**

None

**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, 2017

**VIGE, TUJAGUE  NOEL**  
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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 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, 2017 through December 31, 2017. The Bayou Mallet and Plaquemine Gravity Drainage District No. 10 of St. Landry Parish's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
*The entity does not have written 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 does not have written policies and procedures addressing purchasing.*

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

*The entity does not have written policies and procedures addressing disbursements.*

- d) **Receipts**, including receiving, recording, and preparing deposits

*The entity does not have written policies and procedures addressing receipts of revenue.*

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

*The entity has written policies and procedures addressing payroll.*

- 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 does not have written 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

*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 does not have written policies and procedures addressing travel and expense reimbursement.*

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

*The entity does not have written 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 does not have written policies and procedures addressing debt service.*

***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

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

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons for the major funds.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*There was no deficit spending noted.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.*

### ***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*Obtained a listing of cash collection locations and management's representation that the listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*Bank reconciliations include evidence that a member of management or a board member has reviewed each reconciliation.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Obtained bank statements and reconciliations for all months in the fiscal period and noted that management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.*

### ***Collections***

---

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*Obtained a listing of cash collection locations and management's representation that the listing is complete.*

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Written documentation was obtained and addresses the functions noted above. No exceptions noted.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Written documentation was obtained and addresses the functions noted above. The entity has a formal process for reconciling cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Collection documentation was obtained and deposits are made within one day of collection.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Daily cash collections are completely supported by collection documentation.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

*Written policies and procedures were obtained and address the functions noted above.*

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

---

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*Examined supporting documentation for each of the 25 disbursements selected and found that the entity does not use a purchase order system; however, the president approves all invoices and signs all checks.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of invoices.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*Examined supporting documentation for each of the 25 disbursements and found all payments processed included an invoice/receiving report with proper approval.*

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*The person responsible for processing payments can also add vendors.*

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*The person with signatory authority and final authorization for disbursements does not have responsibility for initiating or recording purchases.*

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*No exceptions noted.*

- 13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*No signature stamp or signature machine is utilized.*

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

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

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

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

*Not applicable.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*Not applicable.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*Not applicable.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Not applicable.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*Not applicable.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*Not applicable.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Not applicable.*

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Obtained a listing of all travel and related expense reimbursements from management and their representation that the listing is complete.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Obtained the entity's written policies related to travel and expense reimbursements. The entity uses the GSA rates.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*No exceptions noted.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*No exceptions noted.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*No exceptions noted.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*No exceptions noted.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No exceptions noted.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

## ***Contracts***

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- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

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

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*Not applicable.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*Not applicable.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*Not applicable.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*Not applicable.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*No applicable.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*Not applicable.*

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

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25

employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*No exceptions noted.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*No exceptions noted.*

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*There were no terminations during the fiscal period.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*No exceptions noted.*

### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*Obtained ethics compliance documentation from management for all employees selected.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's

actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that they have received no allegations during the fiscal year.*

### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*There was no debt issued during the fiscal period.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

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

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Millage collections exceeded debt service payments by more than 10% during the fiscal period.*

### ***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation 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.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

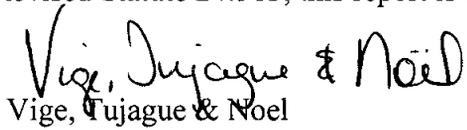
*Required notice was posted on the entity's premises.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*No exceptions noted.*

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 25, 2018

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, 2017

Management Response to Item:

1a, 1b, 1c, 1d, 1f, 1h  
1i, 1j

Management will compile and adopt a policies and procedures manual addressing these functions.

9a, 10

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

  
President