

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2019

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2019

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities and major funds of Bunches Bend Protection District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2019, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of Bunches Bend Protection District, as of December 31, 2019, and the respective changes in financial position thereof 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 management's discussion and analysis on pages 6 through 9 and the budgetary comparison information on page 26 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bunches Bend Protection District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Audit Findings are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

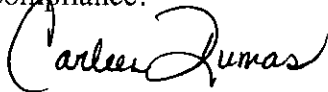
The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Audit Findings are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
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reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners and the Schedule of Prior Year Audit Findings are 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*, I have also issued my report dated January 24, 2020, on my consideration of Bunches Bend Protection District's internal control over financial reporting and on my tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bunches Bend Protection District's 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 the District's internal control over financial reporting and compliance.



Calhoun, Louisiana
January 24, 2020

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

Our discussion and analysis of Bunches Bend Protection District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District's financial statements that begin on page 11.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 11 and 12 provide information about the activities of the District and present a long-term view of the District's financial position. The fund financial statements presented on pages 13 and 14 provide information on how the operations of the District are financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements.

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in net position. Net position - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the District reports only governmental activities due to the fact that the District is engaged in one governmental program - public safety - flood control that is financed by property taxes.

Fund Financial Statements

The fund financial statements begin on page 13 and provide more detailed information about the District's funds. The District has a General Fund and a Debt Service Fund which are reported as major governmental funds.

BUNCHES BEND PROTECTION DISTRICT
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 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2019

Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental funds statements provide a detailed short-term view of the District's operations. Governmental funds information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

The differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds reported in the fund financial statements are reported in a reconciliation at the bottom of the fund financial statements.

**COMPARATIVE ANALYSIS OF
 FINANCIAL DATA**

Government-Wide

The District's net position increased by \$175,976 during 2019. Property taxes increased \$10,767 and total expenses increased \$79,341, due to pumping station repairs during the year. The following presents an analysis of net position and changes in net position of the District's governmental activities:

	GOVERNMENTAL ACTIVITIES	
	2019	2018
Assets		
Current assets	\$564,904	\$604,959
Restricted assets	384,165	371,540
Utility deposit	9,000	9,000
Capital assets	4,573,589	4,579,077
Total assets	<u>5,531,658</u>	<u>5,564,576</u>
Liabilities		
Current liabilities	34,330	23,224
Long-term liabilities	<u>3,555,000</u>	<u>3,775,000</u>
Total liabilities	<u>3,589,330</u>	<u>3,798,224</u>
Net Position		
Net investment in capital assets	1,008,209	793,263
Restricted - debt service	384,165	371,540
Unrestricted	<u>549,954</u>	<u>601,549</u>
Total net position	<u>\$1,942,328</u>	<u>\$1,766,352</u>

BUNCHES BEND PROTECTION DISTRICT
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 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2019

	2019	2018
Expenses:		
General government - retirement system contribution	\$9,705	\$9,310
Public safety - flood control	167,760	83,943
Debt service	129,294	134,165
Total expenses	<u>306,759</u>	<u>227,418</u>
General revenues:		
Property taxes	470,383	459,616
Interest earnings	12,352	8,816
Total revenues	<u>482,735</u>	<u>468,432</u>
Change in net position	175,976	241,014
Net position - beginning	<u>1,766,352</u>	<u>1,525,338</u>
Net position - ending	<u><u>\$1,942,328</u></u>	<u><u>\$1,766,352</u></u>

Governmental Funds

Total revenues increased \$14,303 in 2019 primarily due to an increase in property taxes. Total expenditures increased \$84,375 due to pumping station repairs during the year.

OVERALL FINANCIAL POSITION

The District's net position increased \$175,976 as a result of this year's operations. Unrestricted net position (those assets available to finance the daily operations of the district) was \$549,954 at year end. The amount restricted for debt service was \$384,165 and the net investment in capital assets was \$1,008,209 at year end.

DISTRICT'S FUNDS

At the end of the year, the District's General Fund reported an unassigned fund balance of \$11,077. Total fund balance increased \$4,016 for the year. The Debt Service Fund had a restricted fund balance of \$384,165 and an assigned fund balance of \$538,877. The decrease in total fund balance for the year was \$42,987.

GENERAL FUND BUDGETARY HIGHLIGHTS

At year end, actual revenues and other financing sources failed to meet budgeted revenues and other financing sources by \$8,000 and actual expenditures were \$12,016 less than budgeted expenditures. The District amended its budget one time during the year.

BUNCHES BEND PROTECTION DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$4,573,589. There were no additions or deletions during the year. Additional information about the District's capital assets is presented in Note 5 to the financial statements.

Debt

At year end the District had \$3,555,000 in outstanding long-term debt that was issued to finance the improvements to the Wilson Point Levee System. Additional information about the District's debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS

The District expects its 2020 revenues and expenditures to be less than 2019 amounts due to completion of pumping station repairs in 2019.

BASIC FINANCIAL STATEMENTS

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF NET POSITION
December 31, 2019

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$101,765
Receivables	463,139
Utility deposit	9,000
Restricted assets - cash equivalents with paying agent	384,165
Capital assets (net of accumulated depreciation)	<u>4,573,589</u>
TOTAL ASSETS	<u>5,531,658</u>
LIABILITIES	
Accounts payable	23,950
Accrued interest payable	10,380
Long-term liabilities:	
Due within one year	225,000
Due in more than one year	<u>3,330,000</u>
TOTAL LIABILITIES	<u>3,589,330</u>
NET POSITION	
Net investment in capital assets	1,008,209
Restricted - debt service	384,165
Unrestricted	<u>549,954</u>
TOTAL NET POSITION	<u><u>\$1,942,328</u></u>

See accompanying notes.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

	GOVERNMENTAL ACTIVITIES
Expenses:	
General government - retirement system contribution	\$9,705
Public safety - flood control	167,760
Debt service	<u>129,294</u>
Total expenses	306,759
Program revenues	<u>NONE</u>
Net (expense) revenue	<u>(306,759)</u>
General revenues:	
Property taxes	470,383
Interest earnings	<u>12,352</u>
Total general revenues	<u>482,735</u>
Change in net position	175,976
Net position - beginning	<u>1,766,352</u>
Net position - ending	<u><u>\$1,942,328</u></u>

See accompanying notes.

BUNCHES BEND PROTECTION DISTRICT
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BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2019

	GENERAL FUND	DEBT SERVICE FUND	TOTAL
ASSETS			
Cash	\$533	\$101,232	\$101,765
Due from Debt Service Fund	15,789		15,789
Receivables		463,139	463,139
Utility deposit	9,000		9,000
Restricted assets - cash equivalents with paying agent		384,165	384,165
TOTAL ASSETS	<u><u>\$25,322</u></u>	<u><u>\$948,536</u></u>	<u><u>\$973,858</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$14,245	\$9,705	\$23,950
Due to General Fund		15,789	15,789
Total liabilities	<u>14,245</u>	<u>25,494</u>	<u>39,739</u>
Fund balance:			
Restricted		384,165	384,165
Assigned		538,877	538,877
Unassigned	11,077		11,077
Total fund balances	<u>11,077</u>	<u>923,042</u>	<u>934,119</u>
Total liabilities and fund balances	<u><u>\$25,322</u></u>	<u><u>\$948,536</u></u>	<u><u>\$973,858</u></u>

(Continued)
See accompanying notes.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS (Contd.)
December 31, 2019

	GENERAL FUND	DEBT SERVICE FUND	TOTAL
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position:			
Total fund balances - governmental funds			\$934,119
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			4,573,589
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds			(3,555,000)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds			(10,380)
Net position of governmental activities (Statement A)			<u>\$1,942,328</u>

(Concluded)
See accompanying notes.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	GENERAL FUND	DEBT SERVICE FUND	TOTAL
REVENUES			
Property taxes		\$470,383	\$470,383
Interest earnings		12,352	12,352
Total revenues	NONE	482,735	482,735
EXPENDITURES			
General government - retirement system contribution		9,705	9,705
Public safety - flood control:			
Legal and accounting	7,885		7,885
Levee expenses	137,289		137,289
Fees	3,100	20	3,120
Repairs and maintenance	400		400
Audit	3,161		3,161
Utilities	4,654		4,654
Insurance	5,764		5,764
Debt service:			
Bond principal		220,000	220,000
Bond interest		129,728	129,728
Total expenditures	162,253	359,453	521,706
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(162,253)	123,282	(38,971)
OTHER FINANCING SOURCES (Uses)			
Transfers in (out)	166,269	(166,269)	
NET CHANGE IN FUND BALANCE	4,016	(42,987)	(38,971)
FUND BALANCE AT BEGINNING OF YEAR	7,061	966,029	973,090
FUND BALANCE AT END OF YEAR	\$11,077	\$923,042	\$934,119

(Continued)

See accompanying notes.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (Contd.)
For the Year Ended December 31, 2019

	<u>TOTAL</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:	
Net change in fund balances - governmental funds	(\$38,971)
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
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 as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay expenditures in the current period.	(5,487)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.	220,000
Governmental funds recognize interest expense when it is paid rather than when it is incurred.	<u>434</u>
Change in net position of governmental activities (Statement B)	<u><u>\$175,976</u></u>

(Concluded)

See accompanying notes.

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

INTRODUCTION

The Bunches Bend Protection District (the District) was created by Article VI, Sections 19, 30, and 36 of the Constitution of Louisiana, effective July 15, 2012, as a special district and political subdivision of the State of Louisiana in East Carroll Parish. The District is governed by a six member board who are property owners in the district. Two members of the board are appointed by the governor; one member is appointed by a member of the House of Representatives representing the district; one member is appointed by a member of the Senate representing the district; and two members are appointed by the public utilities that own property in the district. Board members serve without benefit of compensation. The District is responsible for repairing, improving, and maintaining the Wilson Point Levee System in the Bunches Bend area. The District has no employees.

GASB Statement No. 14, *The Reporting Entity* and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these statements, the District is considered a component unit of the State of Louisiana. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. All of the interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of specific functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for services and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

Separate financial statements are provided for governmental funds. Major governmental funds are included as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt which are recognized when due.

In the governmental funds statements, property taxes are susceptible to accrual and thus counted as revenues for the current fiscal period if they are collected within 60 days of year-end. All other revenue items are considered to be measurable and available only when cash is received by the District.

The Bunches Bend Protection District reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the District and accounts for all financial resources except those required to be accounted for in the Debt Service Fund.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the retirement of, general long-term debt principal and interest.

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

C. Deposits

Cash includes amounts in demand deposits. State law limits the District's credit risk by restricting the district's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

The special accounts required by the bond resolution which are held by the paying agent are classified as restricted assets within the governmental funds because their use is completely restricted to the purposes set forth in the bond resolution.

D. Receivables

Receivables reported in the government-wide statement of net position include property tax receivables. Receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized to levy and collect an ad valorem tax of 311 mills and an annual tax to be imposed on a per acre basis on land within the boundaries of the District in the amount of \$21 per acre levied on crop land defined by the Farm Service Agency of the United States Department of Agriculture and \$2 per acre on all other land within the boundaries of the District, for a duration of 30 years from the year of first assessment to be dedicated and used for all lawful purposes by the District including, but not limited to, funding for the repair, improvement, and maintenance of the Wilson Point Levee System in the Bunches Bend area. The property taxes are collected by the East Carroll Parish Sheriff and remitted to the District on a monthly basis.

E. Capital Assets

Capital assets, which consist of levee improvements and a pumping station are reported in the governmental activities column in the government-wide financial statements. All of the District's capital assets are capitalized at historical cost. The District maintains a threshold level of \$100,000 or more for capitalizing infrastructure capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The pumping station is depreciated using the straight-line method over an estimated useful life of 25 years. Levee improvements are considered non-depreciable assets.

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

F. Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position.

G. Net Position/Fund Balance

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, or unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraint placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted fund balance - this classification includes resources that are restricted to specific purposes externally imposed by creditors, grantors, or imposed by law.

Restricted for debt service - funds held in special accounts required by the bond resolution which are held by the paying agent for future debt service payments.

Assigned fund balance - portion of fund balance that the Board of Commissioners intend to be used for a specific purpose, but is neither restricted nor committed.

Debt service - portion of fund balance that is intended for future debt service payments.

Unassigned fund balance - the residual classification and represents the General Fund fund balance that has not been restricted, committed, or assigned to a specific purpose.

The District considers restricted amounts to be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available. The District considers assigned amounts to be spent first when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

H. Estimates

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

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budget Information

The District uses the following budget practices:

The Board of Commissioners adopt an annual budget for the General Fund prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budgetary comparison schedule included as supplemental information in the accompanying financial statements includes the original budget amounts and all subsequent budget amendments during the year.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2019, the District had cash in demand deposits (book balances) totaling \$101,765. The District also had cash equivalents held by the paying agent in the amount of \$384,165. These deposits are stated at cost, which approximates market. 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 and deposited with an unaffiliated bank. At December 31, 2019, the District had \$485,930 in deposits (collected bank balances). These deposits are secured from risk by \$351,765 of federal deposit insurance and \$134,165 of pledged securities held by the Federal Reserve Bank in the name of the District.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2019:

Property taxes	\$463,139
Allowance for doubtful accounts	<u>NONE</u>
Total	<u><u>\$463,139</u></u>

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

5. CAPITAL ASSETS

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

	Balance at January 1, 2019	Increases	Decreases	Balance at December 31, 2019
Governmental activities:				
Capital assets not being depreciated:				
Levee improvements	<u>\$4,456,520</u>	<u>NONE</u>	<u>NONE</u>	<u>\$4,456,520</u>
Capital assets being depreciated:				
Pumping station	137,190			137,190
Less accumulated depreciation for:				
Pumping station	<u>14,634</u>	<u>\$5,487</u>		<u>20,121</u>
Total assets being depreciated, net	<u>122,556</u>	<u>(5,487)</u>	<u>NONE</u>	<u>117,069</u>
Total capital assets	<u><u>\$4,579,076</u></u>	<u><u>(\$5,487)</u></u>	<u><u>NONE</u></u>	<u><u>\$4,573,589</u></u>

Depreciation expense of \$5,487 for the year ended December 31, 2019 was charged to the public safety - flood control governmental function.

6. INTERFUND TRANSFERS/BALANCES

The Debt Service Fund accounts for the proceeds of the property tax that is to be used for the payment of principal and interest on the District's revenue bonds and for the funding of the repair, improvement, and maintenance of the Wilson Point Levee System in the Bunches Bend area. During the year, the Debt Service Fund transferred \$166,269 to the General Fund to pay expenditures incurred in connection with the repair, improvement, and maintenance of the levee. At December 31, 2019, the Debt Service Fund owed the General Fund \$15,789 to cover December 2019 General Fund expenditures not paid prior to year end.

7. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2019:

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

	Revenue Bonds from Direct Borrowings
Balance at January 1, 2019	\$3,775,000
Additions	NONE
Reductions	<u>(\$220,000)</u>
Balance at December 31, 2019	<u><u>\$3,555,000</u></u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term debt as of December 31, 2019:

	Revenue Bonds from Direct Borrowings
Current portion	\$225,000
Long-term portion	<u>3,330,000</u>
Total	<u><u>\$3,555,000</u></u>

Long-term debt from direct borrowings at December 31, 2019, in the amount of \$3,555,000 consists of \$5,000,000 2012 revenue bonds that are payable solely from and secured by an irrevocable pledge and dedication of tax revenues authorized by Act 570 of the Louisiana Legislature. The bond resolution provides that in an event of default, the owners of the bonds or the paying agent on their behalf shall be entitled to exercise all rights and powers for which provision is made in the resolution or in any provision of law. The bond proceeds were used to finance the repairs, improvements, and maintenance of the Wilson Point Levee System in the Bunches Bend area. The bonds have maturities from 2020 until 2032 and have interest rates between of 2.25 % and 3.75 %.

All principal and interest requirements are funded in accordance with Louisiana law by the annual property tax levy within the District and are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2020	\$225,000	\$124,558	\$349,558
2021	230,000	118,483	348,483
2022	235,000	111,813	346,813
2023	245,000	104,175	349,175
2024	250,000	95,600	345,600

BUNCHES BEND PROTECTION DISTRICT
Notes to the Financial Statements

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025-2029	1,400,000	339,025	1,739,025
2030-2032	970,000	73,687	1,043,687
Total	<u>\$3,555,000</u>	<u>\$967,341</u>	<u>\$4,522,341</u>

8. RISK MANAGEMENT

The District purchased commercial insurance to reduce the risk of loss resulting from liability claims. There has been no significant reduction in insurance coverage from coverage in the prior year. There have been no settlements in any of the past three fiscal years.

9. SUBSEQUENT EVENTS

Bunches Bend Protection District has evaluated subsequent events through January 24, 2020, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2019

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest earnings	NONE	NONE	NONE	NONE
EXPENDITURES				
Legal and accounting	8,607	11,574	7,885	3,689
Bank charges	20	20		20
Levee expenses	42,334	145,940	137,289	8,651
Advertising	52	52		52
Fees	3,135	3,135	3,100	35
Repairs and maintenance	2,022		400	(400)
Audit	3,087	3,087	3,161	(74)
Utilities	6,230	4,700	4,654	46
Insurance	5,411	5,761	5,764	(3)
Retirement system expense	10,500			
Total expenditures	81,398	174,269	162,253	12,016
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(81,398)	(174,269)	(162,253)	12,016
OTHER FINANCING SOURCE - transfer in	81,398	174,269	166,269	(8,000)
NET CHANGE IN FUND BALANCE	NONE	NONE	4,016	4,016
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	7,061	7,061
FUND BALANCE AT END OF YEAR	NONE	NONE	\$11,077	\$11,077

There was one budget amendment during the year ended December 31, 2019.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2019

**COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD AND
BOARD OF COMMISSIONERS**

The Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The agency head as well as the board members serve without benefit of compensation.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

3. The follow-up and corrective action taken on all prior year audit findings is presented in Schedule

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2019

BOARD COMPENSATION

Agency Head - Thomas A. Parker - President	NONE
David Oswalt	NONE
Steve H. Brown	NONE
Frederick H. Schneider, IV	NONE
Steve Cochran	NONE
Shannon Baker	<u>NONE</u>
Total	<u><u>NONE</u></u>

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2019

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
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There were no prior year audit findings.

Independent Auditor's Report
Required by *Government Auditing Standards*

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**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***

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of the governmental activities and major funds of Bunches Bend Protection District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Bunches Bend Protection District's basic financial statements and have issued my report thereon dated January 24, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Bunches Bend Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion of the effectiveness of the District'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.

My 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. Given these limitations, during my audit I did not identify any

BOARD OF COMMISSIONERS
BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana
Independent Auditor's Report
on Compliance and on
Internal Control, etc.,
December 31, 2019

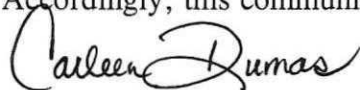
deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bunches Bend Protection District's financial statements are free from material misstatement, I performed tests of the District's 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Calhoun, Louisiana
January 24, 2020

BUNCHES BEND PROTECTION DISTRICT
East Carroll Parish, Louisiana

Schedule of Current Year Findings and
Management's Corrective Action Plan
For the Year Ended December 31, 2019

Section I - Summary of Auditor's Reports

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:

Material weakness(es) identified? - No
Significant deficiency(ies) identified? - No
3. Noncompliance material to financial statements noted? - No
4. No management letter was issued.

Section II - Financial Statement Findings

None.