

**Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana**

**Financial Statements With Auditors' Report**

**As of and For the Year Ended December 31, 2018**

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana

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## Independent Auditors' Report

Board of Commissioners  
Cypress - Black Bayou Recreation  
and Water Conservation District  
Benton, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Cypress - Black Bayou Recreation and Water Conservation District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Cypress - Black Bayou Recreation and Water Conservation 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.

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Cypress - Black Bayou Recreation and Water Conservation District as of December 31, 2018, 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 and budgetary comparison information on pages 3 - 8 and 24 - 25, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements. The accompanying other supplementary information listed in the table of contents and shown on pages 26 and 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information 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 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 our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2019, on our consideration of Cypress - Black Bayou Recreation and Water Conservation District'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 Cypress - Black Bayou Recreation and Water Conservation District's internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
June 11, 2019

## **CYPRESS – BLACK BAYOU RECREATION AND WATER CONSERVATION DISTRICT**

### **MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Cypress - Black Bayou Recreation and Water Conservation District’s financial performance provides an overview of the Cypress - Black Bayou Recreation and Water Conservation District’s financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the District’s financial statements, which begin on page 9.

### **FINANCIAL HIGHLIGHTS**

The Cypress - Black Bayou Recreation and Water Conservation District’s net position decreased by (\$339,747) or 23.96%.

The Cypress - Black Bayou Recreation and Water Conservation District’s total general and program revenues were \$1,696,752 in 2018 compared to \$1,762,018 in 2017.

During the year ended December 31, 2018, the Cypress - Black Bayou Recreation and Water Conservation District had total expenses, excluding depreciation, of \$1,769,738.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Cypress - Black Bayou Recreation and Water Conservation District as a whole and present a longer-term view of the District’s finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Cypress - Black Bayou Recreation and Water Conservation District’s operations in more detail than the government-wide statements by providing information about the Cypress - Black Bayou Recreation and Water Conservation District’s most significant funds.

### **Reporting the Cypress - Black Bayou Recreation and Water Conservation District as a Whole**

Our analysis of the Cypress - Black Bayou Recreation and Water Conservation District as a whole begins on page 9. One of the most important questions asked about the Cypress - Black Bayou Recreation and Water Conservation District’s finances is “Is the Cypress - Black Bayou Recreation and Water Conservation District as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using

the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual 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 Cypress - Black Bayou Recreation and Water Conservation District's *net position* and changes in them. You can think of the Cypress - Black Bayou Recreation and Water Conservation District's net position – the difference between assets and liabilities – as one way to measure the Cypress - Black Bayou Recreation and Water Conservation District's financial health, or *financial position*. Over time, *increases* or *decreases* in the Cypress - Black Bayou Recreation and Water Conservation District net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District are reported here which consists primarily of personal services, materials and supplies, repairs and maintenance and other program services. Ad Valorem taxes and permits, licenses and fees, finance most of these activities.

### **Reporting the District's Most Significant Funds**

The Cypress - Black Bayou Recreation and Water Conservation District has only one fund – General fund, which is a governmental fund. Our analysis begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the general fund maintained by the Cypress - Black Bayou Recreation and Water Conservation District – not the Cypress - Black Bayou Recreation and Water Conservation District as a whole. The Cypress - Black Bayou Recreation and Water Conservation District's *governmental fund* uses the following accounting approaches:

Governmental funds – All of the Cypress - Black Bayou Recreation and Water Conservation District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Cypress - Black Bayou Recreation and Water Conservation District's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Cypress - Black Bayou Recreation and Water Conservation District expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.

# **THE CYPRESS - BLACK BAYOU RECREATION AND WATER CONSERVATION DISTRICT AS A WHOLE**

The Cypress - Black Bayou Recreation and Water Conservation District's total net position changed from a year ago, decreasing from \$1,418,186 to \$1,078,439.

**Table 1  
Net Position**

	Governmental Activities	
	2018	2017
Current and other assets	\$ 1,247,815	\$ 1,967,539
Capital assets	3,446,868	3,250,044
Total assets	<u>4,694,683</u>	<u>5,217,583</u>
Current liabilities	90,256	85,493
Long-term liabilities	2,380,000	2,595,000
Total liabilities	<u>2,470,256</u>	<u>2,680,493</u>
Deferred inflows of resources		
Unavailable revenue - ad valorem taxes	<u>1,145,988</u>	<u>1,118,904</u>
Net position:		
Net investment in capital assets	1,692,380	1,959,141
Unrestricted	(613,941)	(540,955)
Total net position	<u>\$ 1,078,439</u>	<u>\$ 1,418,186</u>

Net position of the Cypress - Black Bayou Recreation and Water Conservation District's governmental activities decreased by \$339,747 or 23.96% for the year ended December 31, 2018 and decreased by \$393,305 or 21.7% for the year ended December 31, 2017.

**Table 2**  
**Change in Net Position**

	Governmental Activities	
	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 538,528	\$ 539,425
General revenue		
Ad Valorem taxes	1,102,584	1,160,977
State revenue sharing	30,253	30,287
Miscellaneous	25,387	31,329
Total revenues	<u>\$1,696,752</u>	<u>\$1,762,018</u>
Expenses		
Culture and Recreation	1,936,999	2,047,423
Interest on long-term debt	99,500	107,900
Total expenses	<u>2,036,499</u>	<u>2,155,323</u>
( Decrease) in net position	<u>\$ (339,747)</u>	<u>\$ (393,305)</u>

Total revenues decreased \$65,266 (3.70%) from total revenues in the year ended December 31, 2017 of \$1,762,018 to total revenues of \$1,696,752 in the year ended December 31, 2018.

The decrease was mainly due to decreases in ad valorem taxes.

## **THE DISTRICT'S FUNDS**

As the District completed the year ended December 31, 2018, its governmental fund (as presented in the balance sheet on page 11) reported a fund balance of \$11,571, which is less than last year's fund balance of \$763,142. The primary reason for the decrease is due to the District expending the proceeds of the series 2015 revenue bonds which were issued in 2015.

### **General Fund Budgetary Highlights**

The District adopted a budget for its General Fund for the year ended December 31, 2018. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on pages 24 - 25.



Highlights for the year are as follows:

- Revenues were substantially the same as budgeted amounts. Expenditures were lower than budgeted amounts due to not utilizing as much of the debt proceeds as anticipated.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of December 31, 2018, the Cypress - Black Bayou Recreation and Water Conservation District had invested \$3,446,868 in capital assets compared to \$3,250,044 at December 31, 2017. (see table 3 below)

**Table 3**  
**Capital Assets at Year End**  
**(Net Depreciation)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 710,000	\$ 710,000
Construction in progress		1,978
Buildings and improvements	1,266,636	866,746
Other improvements	1,405,135	1,583,070
Equipment	65,097	88,250
Total assets	<u>\$3,446,868</u>	<u>\$ 3,250,044</u>

Major additions included:

Equipment	\$	\$ 21,375
Improvements to infrastructure	<u>463,585</u>	<u>352,001</u>
Total	<u>\$ 463,585</u>	<u>\$ 373,376</u>

More detailed information about the capital assets are presented in Note 5 to the financial statements.

## Debt Administration

**Table 4**  
**Outstanding Debt At Year End**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenue Bonds	<u>\$ 2,380,000</u>	<u>\$ 2,595,000</u>

More detail information above the debt is presented in Note 6 to the financial statements

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Cypress - Black Bayou Recreation and Water Conservation District's management considered many factors when setting a fiscal year December 31, 2019 budget. Amounts available for appropriation in the governmental funds are expected to decrease due to the expenditures associated with the debt issuance funds were substantially completed during 2018.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District and to show the Cypress - Black Bayou Recreation and Water Conservation District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director at 135 Cypress Park Drive, Benton, Louisiana 71006

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Statement of Net Position  
December 31, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 82,929
Accounts receivable - ad valorem taxes	1,113,415
Restricted cash	51,471
Capital assets:	
Land	710,000
Other capital assets, net of accumulated depreciation	<u>2,736,868</u>
Total assets	<u>4,694,683</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	90,256
Long-term liabilities:	
Due within one year	225,000
Due in more than one year	<u>2,155,000</u>
Total liabilities	<u>2,470,256</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - ad valorem taxes	<u>1,145,988</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,692,380
Unrestricted (deficit)	<u>(613,941)</u>
Total net position	<u><u>\$ 1,078,439</u></u>

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2018

		<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
<u>Functions / Programs:</u>			
Governmental Activities			
Culture and recreation	\$ 1,936,999	\$ 538,528	\$ (1,398,471)
Interest on long-term debt	<u>99,500</u>		<u>(99,500)</u>
Total governmental activities	<u>2,036,499</u>	<u>538,528</u>	<u>(1,497,971)</u>
General revenues:			
Ad valorem taxes			1,102,584
State revenue sharing			30,253
Miscellaneous			<u>25,387</u>
Total general revenues			<u>1,158,224</u>
Change in net position			(339,747)
Net position - beginning			1,418,186
Net position - ending			<u><u>\$ 1,078,439</u></u>

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Balance Sheet  
Governmental Fund  
December 31, 2018

	<u>General Fund</u>
Assets	
Cash	\$ 82,929
Accounts receivable - ad valorem taxes	1,113,415
Restricted cash	<u>51,471</u>
Total assets	<u>\$ 1,247,815</u>
Liabilities	
Accounts payable and accrued expenses	<u>\$ 90,256</u>
Total liabilities	<u>90,256</u>
Deferred inflows of resources	
Unavailable revenue - ad valorem taxes	<u>1,145,988</u>
Fund balance	
Restricted	51,471
Unassigned	<u>(39,900)</u>
Total fund balance	<u>11,571</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,247,815</u>

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position  
December 31, 2018

Fund balance - total governmental fund	\$ 11,571
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	3,446,868
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(2,380,000)
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Net position of governmental activities	<u>\$ 1,078,439</u>
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See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended December 31, 2018

	General Fund
Revenues	
Ad valorem taxes	\$ 1,102,584
State revenue sharing	30,253
Permits, licenses and fees	538,528
Miscellaneous	<u>25,387</u>
Total revenues	<u>1,696,752</u>
Expenditures	
Current - culture and recreation	1,670,238
Capital outlay	463,585
Debt service:	
Principal	215,000
Interest	<u>99,500</u>
Total expenditures	<u>2,448,323</u>
Net change in fund balance	(751,571)
Fund balance at beginning of year	<u>763,142</u>
Fund balance at end of year	<u><u>\$ 11,571</u></u>

See accompanying notes to the basic financial statements.

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	\$ (751,571)
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Amounts reported for governmental activities in the statement of activities 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 and reported as depreciation expense. This is the amount by which capital outlays \$463,585 exceeds depreciation \$266,761 in the current period.

196,824

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

215,000

Change in net position of governmental activities	<u><u>\$ (339,747)</u></u>
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See accompanying notes to the basic financial statements.



Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018

## INTRODUCTION

The Cypress - Black Bayou Recreation and Water Conservation District (the District) was created by Act 292 of 1958 to develop the wealth and natural resources of the District by conserving water for agricultural, municipal, recreational, commercial, industrial, and sanitary purposes. The District is comprised of a board of five commissioners, one each appointed by the Bossier Parish Police Jury, the Bossier Parish School Board, the Mayor and governing authority of the City of Bossier City, the Mayor and governing authority of the Town of Benton, and the Bossier Levee District.

### (1) Summary of Significant Accounting Policies

The Cypress - Black Bayou Recreation and Water Conservation District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Cypress - Black Bayou Recreation and Water Conservation District are discussed below.

#### A. Reporting Entity

The Governmental Accounting Standards Board (GASB) establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of the standards, the District is considered a primary government, since it is a special purpose government that has a separate appointed governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt and has a component unit over which it exercises oversight responsibility.

#### B. Basic Financial Statements – Government-Wide Statements

The Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements include both government-wide (reporting the funds maintained by the Cypress - Black Bayou Recreation and Water Conservation District as a whole) and fund financial statements (reporting the Cypress - Black Bayou Recreation and Water Conservation District's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Cypress - Black Bayou Recreation and Water Conservation District's general fund is classified as governmental activities. The Cypress - Black Bayou Recreation and Water Conservation District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Cypress - Black Bayou Recreation and Water Conservation District's net position is reported in two parts – net investment in capital assets (net of related debt) and unrestricted net position.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Cypress - Black Bayou Recreation and Water Conservation District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District consist of permits, licenses, fees and donations. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the Cypress - Black Bayou Recreation and Water Conservation District as an entity and the change in the Cypress - Black Bayou Recreation and Water Conservation District's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Cypress - Black Bayou Recreation and Water Conservation District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Cypress - Black Bayou Recreation and Water Conservation District:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Cypress - Black Bayou Recreation and Water Conservation District:

- a. General fund is the general operating fund of the Cypress - Black Bayou Recreation and Water Conservation District. It is used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund was determined to be a major fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Cypress - Black Bayou Recreation and Water Conservation District consist principally of property taxes, permits, licenses and fees, state revenue sharing, donations and interest income. Property taxes are recorded in the year for which the taxes are levied. Property taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The 2018 tax levy is intended to fund the 2019 fiscal year; therefore, the levy has been recorded as a receivable and deferred inflows of resources. Interest income is recorded when earned. Permits, licenses, fees and donations are recorded when received because they are generally not measurable until actually received. State revenue sharing revenue is recorded when it is both measurable and available.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The District uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the District prior to December 31 of each year and is made available for public inspection.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget for 2018 was adopted on the cash basis for the general fund. One amendment was made to the 2018 budget.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

F. Cash, Cash Equivalents, and Investments

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

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at fair value.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10 – 40 years
Equipment	3 – 10 years
Other improvements	10 – 40 years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the District has no transactions that meet the definition of deferred outflows of resources.

The District's governmental activities and governmental fund reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that meets this definition and qualifies for reporting in this category. Accordingly, the item "unavailable revenue" is reported in the governmental fund balance sheet and statement of net position. The District reports unavailable revenue from one source: ad valorem - property taxes. This amount is deferred and recognized as an inflow of resources in the period for which the amount was levied and budgeted.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

I. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Employees earn annual leave based upon their length of employment. Upon separation of employment, employees are paid for accumulated annual leave. Employees also earn sick leave, but no unused sick leave is paid upon separation of employment.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balances

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the District's Board of Commissioners (the District's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the District's Board of Commissioners removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).
4. Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District's Board of Commissioners have the authority to assign amounts to be used for specific purposes.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

5. Unassigned fund balance are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(2) Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Operating and maintenance	1.56	1.56	2024

The District's ad valorem tax millage renewal was approved by the voters in November, 2015, for a period of ten years beginning in 2015 and ending in 2024.

(3) Cash and Cash Equivalents

At December 31, 2018, the District had cash and cash equivalents (book balances), totaling \$134,400 as detailed below.

The District had cash and cash equivalents at December 31, 2018 (book balances) totaling \$134,400, of which \$51,471 is shown as restricted. 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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Credit Risk

Custodial credit risk is the risk that in the event of a bank or other depository institution failure, the government's deposits may not be returned to it. As of December 31, 2018, the District's bank balances totaling \$134,400 were covered by FDIC insurance.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

(4) Restricted Cash

The restricted cash at December 31, 2018 represents unspent debt proceeds from the 2015 Series Revenue Bonds issue. The proceeds are used for various capital improvements at the park which may include but are not limited to: updating the entire electrical system; updating the water and sewage system to comply with the State mandate; construction of an event center; renovation of existing cottages; renovation of fishing piers; and other general maintenance, repair and updating of the facility and equipment related thereto.

(5) Capital Assets

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

	Balance at Jan. 1, 2018	Additions	Deletions	Balance at Dec. 31, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 710,000	\$	\$	\$ 710,000
Construction in progress	1,978		(1,978)	
Total capital assets, not being depreciated	711,978		(1,978)	710,000
Capital assets, being depreciated:				
Buildings and improvements	1,889,260	465,563		2,354,823
Equipment	374,117			374,117
Other improvements	10,417,117			10,417,117
Total capital assets, being depreciated at historical cost	12,680,494	465,563		13,146,057
Less accumulated depreciation:				
Buildings and improvements	(1,022,514)	(65,673)		(1,088,187)
Equipment	(285,867)	(23,153)		(309,020)
Other improvements	(8,834,047)	(177,935)		(9,011,982)
Total accumulated depreciation	(10,142,428)	(266,761)		(10,409,189)
Total capital assets, being depreciated, net	2,538,066	198,802		2,736,868
Governmental activities capital assets, net	\$ 3,250,044	\$ 198,802	\$ (1,978)	\$ 3,446,868

Depreciation expense for the year ended December 31, 2018 was \$266,761 and reported in culture and recreation function of governmental activities.

(Continued)

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

(6) Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds Series 2015	<u>\$ 2,595,000</u>	<u>\$ -</u>	<u>\$ 215,000</u>	<u>\$ 2,380,000</u>	<u>\$ 225,000</u>

Revenue Bonds Series 2015

The series 2015 revenue bonds were issued by the Louisiana Local Government Environmental Facilities and Community Development Authority to the District July 1, 2015. The purchaser of the bonds was a local bank. Original amount of the issue was \$3,000,000, due in annual installments of \$200,000 to \$305,000 from July, 2018 to July, 2027. Repayment of debt is to be made from the District's lawfully available funds. Interest rate on the bonds is 4.0%. The bonds are secured by a pledge of the rights, title, and interest to the lawfully available funds of the District.

Debt service requirements at December 31, 2018, were as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 225,000	\$ 90,700	\$ 315,700
2020	235,000	81,500	316,500
2021	245,000	71,900	316,900
2022	250,000	62,000	312,000
2023	265,000	51,700	316,700
2024-2027	1,160,000	94,800	1,254,800
	<u>\$ 2,380,000</u>	<u>\$ 452,600</u>	<u>\$ 2,832,600</u>

(7) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2018 consisted of the following:

Accounts payable	\$ 85,323
Other	<u>4,933</u>
	<u>\$ 90,256</u>

(Continued)



Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 2018  
(Continued)

(8) Deferred Inflows of Resources

Deferred inflows of resources recorded in both the government-wide and in the fund financial statements at December 31, 2018 consist of unavailable revenue as follows:

Ad valorem taxes	<u>\$ 1,145,988</u>
------------------	---------------------

(9) Subsequent Events

Subsequent events have been evaluated through June 11, 2019, the date the financial statements were available to be issued.

(10) Fund Balance Classifications

The constraints on fund balance as listed in the aggregate are composed of the following:

Fund balance:

Restricted-unspent debt proceeds	\$ 51,471
Unassigned	<u>( 39,900)</u>
	<u>\$ 11,571</u>

(11) Unrestricted Net Position (Deficit)

The District reports an unrestricted net position (deficit) of \$613,941 at December 31, 2018. The District has been expending resources on significant repairs to the facilities and grounds. The District approved a new rate structure for permits, licenses, and fees beginning in 2015, which includes options for additional increases in the permits, licenses and fees for future years with the intent to eliminate the deficit.

(12) Risk Management

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

Cypress - Black Bayou Recreation and Water Conservation District  
 Benton, Louisiana  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 (CASH BASIS)  
 General Fund  
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,102,584	\$ 2,584
State revenue sharing	26,000	26,000	30,253	4,253
Permits, license and fees	530,000	530,000	538,528	8,528
Interest income	100	100		(100)
Miscellaneous	20,000	20,000	25,387	5,387
Total revenues	1,676,100	1,676,100	1,696,752	20,652
Expenditures				
Current - culture and recreation	1,358,100	1,358,100	1,693,308	(335,208)
Capital outlay	500,000	900,000	463,585	436,415
Debt service	318,000	318,000	314,500	3,500
Total expenditures	2,176,100	2,576,100	2,471,393	104,707
Net change in fund balance	(500,000)	(900,000)	(774,641)	125,359
Fund balance at beginning of year	500,000	900,000	909,041	9,041
Fund balance at end of year	\$	\$	\$ 134,400	\$ 134,400

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Notes to Required Supplementary Information  
December 31, 2018

The District's budget is adopted on a cash basis for all funds. There was one amendment to the 2018 budget. The budget comparison schedule included in the accompanying financial statements includes the original and amended budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budget basis)	\$ ( 774,641)
Adjustments:	
Expenditure accruals – net	<u>23,070</u>
Excess of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ ( 751,571)</u>

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Other Supplementary Information  
Schedule of Compensation Paid Commissioners  
For the Year Ended December 31, 2018

COMPENSATION PAID COMMISSIONERS

This schedule of compensation paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 38:2605, the commissioners are entitled to receive, out of available funds of the District, a per diem allowance of \$40 for each meeting of the District that they attend, but no such allowance shall be paid for more than 36 meetings in any calendar year.

	<u>NUMBER</u>	<u>AMOUNT</u>
Emmett "Gary" Wyche, Jr.	16	\$ 640
Walter O. Bigby Jr.	15	600
Robert A. Berry	16	
Alan M. Warren	14	560
Jerry W. Fowler	16	<u>640</u>
Total		<u>\$ 2,440</u>

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Other Supplementary Information  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended December 31, 2018

**Agency Head: Robert A. Berry, Executive Director**

**PURPOSE**

**AMOUNT**

Salary	\$	127,125
Phone allowance		1,200
Reimbursements		9

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## **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***

### Independent Auditors' Report

Board of Commissioners  
Cypress - Black Bayou Recreation  
and Water Conservation District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Cypress - Black Bayou Recreation and Water Conservation District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Cypress - Black Bayou Recreation and Water Conservation District's basic financial statements, and have issued our report thereon dated June 11, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cypress - Black Bayou Recreation and Water Conservation 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cypress - Black Bayou Recreation and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cypress - Black Bayou Recreation and Water Conservation 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 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.

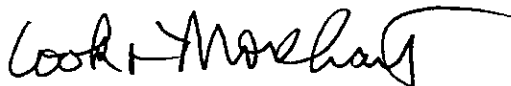
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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 Cypress - Black Bayou Recreation and Water Conservation District'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.



Cook & Morehart  
Certified Public Accountants  
June 11, 2019

Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
Summary Schedule of Prior Audit Findings  
December 31, 2018

**Summary Schedule of Prior Audit Findings**

There were no findings in the audit for the year ended December 31, 2017.

Current Year Audit Findings and Corrective Action Plan  
Schedule For Louisiana Legislative Auditor  
December 31, 2018

**Current Year Audit Findings and Corrective Action Plan**

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



# COOK & MOREHART

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### Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Cypress - Black Bayou Recreation and Water Conservation District  
Benton, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Cypress - Black Bayou Recreation and Water Conservation District, 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, 2018 through December 31, 2018. The Cypress - Black Bayou Recreation and Water Conservation District's (District) 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***

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

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

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

The Board met at least monthly.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general ledger fund.

*Exception:* Minutes did not reference budget to actual comparisons.

*Management's Response:* The District prepares monthly financial statements and makes those available to the Board of Commissioners.

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

The prior year fund balance was not negative.

### ***Bank Reconciliations***

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

Management provided the requested information, along with management's representation that the listing is complete.

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

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

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

There was evidence that a member of management reviewed and approved the bank reconciliations for the accounts selected for testing.

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

Management documented that research was done on outstanding checks more than 12 months from statement closing date.

### ***Collections***

Testing not required for this area for fiscal period January 1, 2018 through December 31, 2018 due to no exceptions being noted in prior year.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to

employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

*Exception:* The Executive Director initiates, approves, and places orders.

*Management's Response:* It is the District's policy for the Executive Director to approve all purchases.

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

Two employees are involved in processing and approving payments to vendors.

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

*Exception:* The Office Manager processes payments and adds vendors to the disbursement system.

*Management's Response:* It is the District's policy for supporting documentation to accompany checks for signature. The District's policy is for all disbursements to require two signatures on checks.

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

*Exception:* The Office Manager is responsible for processing payments and receives the signed checks for mailing.

*Management's Response:* The District will consider allowing a person outside of the processing of payments to mail checks to vendors. All payments are approved by management prior to issuance.

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

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

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice and included evidence of segregation of duties.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

*Exception:* There was no evidence of approval on the statement selected for testing. All disbursements are approved by the Executive Director when checks are signed.

*Management's Response:* It is the District's policy for all purchases to be approved by the Executive Director.

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

There were no finance charges or late fees on the statement selected for testing.

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

Transactions selected for testing were supported by an original itemized receipt that identified precisely what was purchased, contained written documentation of the business purpose, and documentation of the individuals participating in meals, as applicable.

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

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

#### ***Contracts***

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Management provided the requested information, along with management's representation that the listing is complete.

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

Contracts selected for testing were not subject to the Louisiana Public Bid Law.

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

The contracts selected for testing did not require board approval.

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

The contracts selected for testing were not amended.

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

For the invoices selected for testing, invoices agreed to the contract terms, and the related payment agreed to the terms and conditions of the contract.

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

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

Management provided the requested information, along with management's representation that the listing is complete. For the 5 employees selected for testing, the paid salaries agreed with the authorized salaries/pay rates.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

For the transactions selected for testing, the daily attendance and leave were documented.

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

Transactions selected for testing contained evidence that supervisors approved the attendance and leave of the selected employees.

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

For the transactions selected for testing, the District maintained written leave records.

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

Management provided the requested information, along with management's representation that the listing is complete. For the two employees selected for testing, the related documentation for hours and pay rates used in calculating termination benefits were in agreement with the authorized rates and leave balances in the employee's personnel files and cumulative leave records.

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

Management provided representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers compensation premiums have been paid, and the associated forms have been filed by the required deadlines.

***Ethics (excluding nonprofits)***

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

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

*Exception:* For three of the five selected for testing, the employees did not complete one hour of ethics training during the fiscal period.

*Management's Response:* The District provided ethics training in December, 2018. The three employees separated from service before the training in December, 2018. The District will require all employees to complete the required ethics training.

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

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

***Other***

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

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.



Cook & Morehart  
Certified Public Accountants  
June 11, 2019