

**LAFAYETTE PARISH BAYOU  
VERMILION DISTRICT**

**LAFAYETTE, LOUISIANA**

**FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Commissioners of  
Lafayette Parish Bayou Vermilion District  
Lafayette, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District, a component unit of Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### 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 auditors' 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, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows 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 budgetary comparison information on pages 37-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2019, on our consideration of the Lafayette Parish Bayou Vermilion 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 Lafayette Parish Bayou Vermilion District's internal control over financial reporting and compliance.

***Wright, Moore, DeHart,  
Dupuis & Hutchinson***

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash And Interest-Bearing Deposits	\$3,682,563	\$ 310,672	\$3,993,235
Receivables, Net	28,247	5,226	33,473
Ad Valorem Tax Receivable	170,231	-	170,231
Due From Sheriff	1,578,961	-	1,578,961
Due From Employee	245	-	245
Internal Balances	1,424,632	(1,424,632)	-
Inventory	<u>-</u>	<u>32,549</u>	<u>32,549</u>
Total Current Assets	<u>6,884,879</u>	<u>(1,076,185)</u>	<u>5,808,694</u>
Noncurrent Assets:			
Land	146,000	-	146,000
Capital Assets, Net	<u>1,426,431</u>	<u>727,046</u>	<u>2,153,477</u>
Total Noncurrent Assets	<u>1,572,431</u>	<u>727,046</u>	<u>2,299,477</u>
 Total Assets	 <u>\$8,457,310</u>	 <u>\$ (349,139)</u>	 <u>\$8,108,171</u>

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

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts And Other Payables	\$ 27,720	\$ 22,227	\$ 49,947
Unearned Revenue	-	18,462	18,462
Grant Advance	5,202	-	5,202
Due To Other Governments	-	3,887	3,887
Bonds Payable	135,000	-	135,000
Accrued Interest	<u>28,231</u>	<u>-</u>	<u>28,231</u>
Total Current Liabilities	<u>196,153</u>	<u>44,576</u>	<u>240,729</u>
<b>Noncurrent Liabilities:</b>			
Accrued Compensated Absences	30,146	15,360	45,506
Bonds Payable	3,685,000	-	3,685,000
Bond Premium, Net	<u>46,435</u>	<u>-</u>	<u>46,435</u>
Total Noncurrent Liabilities	<u>3,761,581</u>	<u>15,360</u>	<u>3,776,941</u>
<b>Total Liabilities</b>	<u>3,957,734</u>	<u>59,936</u>	<u>4,017,670</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Ad Valorem Taxes	<u>2,103,320</u>	<u>-</u>	<u>2,103,320</u>
Total Deferred Inflow of Resources	<u>2,103,320</u>	<u>-</u>	<u>2,103,320</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,572,431	727,046	2,299,477
Restricted for Capital Projects	2,232,717	-	2,232,717
Restricted For Debt Service	450,698	-	450,698
Unrestricted	<u>(1,859,590)</u>	<u>(1,136,121)</u>	<u>(2,995,711)</u>
Total Net Position	<u>\$2,396,256</u>	<u>\$ (409,075)</u>	<u>\$1,987,181</u>

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



**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
General Government	\$ 2,603,262	\$ -	\$ 227,008	\$ (2,376,254)	\$ -	\$ (2,376,254)
Interest on Long-Term Debt	82,499	-	-	(82,499)	-	(82,499)
Total Governmental Activities	2,685,761	-	227,008	(2,458,753)	-	(2,458,753)
<b>Business-Type Activities:</b>						
Vermilionville	1,489,150	924,686	-	-	(564,464)	(564,464)
Total Business-Type Activities	1,489,150	924,686	-	-	(564,464)	(564,464)
Total	\$ 4,174,911	\$ 924,686	\$ 227,008	(2,458,753)	(564,464)	(3,023,217)
<b>General Revenues:</b>						
Taxes -						
Property Taxes, Levied for General Purposes				2,048,227	-	2,048,227
Interest and Investment Earnings				86,496	-	86,496
Loss on Disposal of Fixed Assets				-	-	-
Miscellaneous				25,530	13,435	38,965
Transfers				(75,100)	75,100	-
Total General Revenues and Transfers				2,085,153	88,535	2,173,688
Change in Net Position				(373,600)	(475,929)	(849,529)
Net Position - January 1, 2018				2,769,856	66,854	2,836,710
Net Position - December 31, 2018				\$ 2,396,256	\$ (409,075)	\$ 1,987,181

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

## **FUND FINANCIAL STATEMENTS (FFS)**

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Cash And Interest-Bearing Deposits	\$ 970,917	\$ 478,929	\$ 2,232,717	\$3,682,563
Receivables -				
Grants	28,247	-	-	28,247
Due From Sheriff	1,287,198	291,763	-	1,578,961
Due From Other Funds	1,424,632	-	-	1,424,632
Due From Employee	<u>245</u>	<u>-</u>	<u>-</u>	<u>245</u>
 Total Assets	 <u>\$3,711,239</u>	 <u>\$ 770,692</u>	 <u>\$2,232,717</u>	 <u>\$6,714,648</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 4,077	\$ -	\$ -	\$ 4,077
Accrued Expenses	23,643	-	-	23,643
Grant Advance	<u>5,202</u>	<u>-</u>	<u>-</u>	<u>5,202</u>
Total Current Liabilities	<u>32,922</u>	<u>-</u>	<u>-</u>	<u>32,922</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Ad Valorem Taxes	<u>1,575,891</u>	<u>357,198</u>	<u>-</u>	<u>1,933,089</u>
Total Deferred Inflow of Resources	<u>1,575,891</u>	<u>357,198</u>	<u>-</u>	<u>1,933,089</u>
<b>FUND BALANCES</b>				
Fund Balances -				
Restricted	-	413,494	2,232,717	2,646,211
Unassigned	<u>2,102,426</u>	<u>-</u>	<u>-</u>	<u>2,102,426</u>
Total Fund Balances	<u>2,102,426</u>	<u>413,494</u>	<u>2,232,717</u>	<u>4,748,637</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$3,711,239</u>	 <u>\$ 770,692</u>	 <u>\$2,232,717</u>	 <u>\$6,714,648</u>

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

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

Total fund balances for governmental funds at December 31, 2018 \$ 4,748,637

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 146,000	
Buildings, net of \$156,334 accumulated depreciation	180,443	
Site improvements, net of \$2,005,494 accumulated depreciation	914,102	
Equipment, net of \$623,957 accumulated depreciation	<u>331,886</u>	1,572,431

Long-term liabilities at December 31, 2018:

Accrued compensated absences	(30,146)	
Bonds payable	(3,820,000)	
Bond premium, net of \$5,256 accumulated amortization	(46,435)	
Accrued interest payable	<u>(28,231)</u>	<u>(3,924,812)</u>

Total net position of governmental activities at December 31, 2018 \$ 2,396,256

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

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 1,669,602	\$ 378,625	\$ -	\$2,048,227
Intergovernmental	227,008	-	-	227,008
Interest	27,943	8,874	49,679	86,496
Miscellaneous	<u>25,530</u>	<u>-</u>	<u>-</u>	<u>25,530</u>
Total Revenues	<u>1,950,083</u>	<u>387,499</u>	<u>49,679</u>	<u>2,387,261</u>
<b>Expenditures:</b>				
Current -				
General Government	1,627,277	14,919	762,928	2,405,124
Capital Outlay	9,000	-	192,629	201,629
Debt Service -				
Principal Paid	-	130,000	-	130,000
Interest And Fiscal Charges	<u>-</u>	<u>85,994</u>	<u>-</u>	<u>85,994</u>
Total Expenditures	<u>1,636,277</u>	<u>230,913</u>	<u>955,557</u>	<u>2,822,747</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>313,806</u>	<u>156,586</u>	<u>(905,878)</u>	<u>(435,486)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(75,100)</u>	<u>-</u>	<u>-</u>	<u>(75,100)</u>
Total Other Financing Sources (Uses)	<u>(75,100)</u>	<u>-</u>	<u>-</u>	<u>(75,100)</u>
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	238,706	156,586	(905,878)	(510,586)
Fund Balances, Beginning	<u>1,863,720</u>	<u>256,908</u>	<u>3,138,595</u>	<u>5,259,223</u>
Fund Balances, Ending	<u>\$ 2,102,426</u>	<u>\$ 413,494</u>	<u>\$2,232,717</u>	<u>\$4,748,637</u>

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

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Total net changes in fund balances at December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (510,586)
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The change in net position reported for governmental activities in the statement of activities is 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.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 201,629	
Depreciation expense for the year ended December 31, 2018	<u>(199,004)</u>	2,625

Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net position.

Principal payments on long-term debt	130,000
Net bond premium amortization	2,628

Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	867
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Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

<u>866</u>
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Total changes in net position at December 31, 2018 per Statement of Activities	<u>\$ (373,600)</u>
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The accompanying notes are an integral part of the basic financial statements.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2018**

**ASSETS**

**Current Assets:**

Cash And Interest-Bearing Deposits	\$ 310,672
Accounts Receivable	5,226
Inventory	<u>32,549</u>
Total Current Assets	<u>348,447</u>

**Noncurrent Assets:**

Buildings	3,405,063
Equipment	227,763
Furniture And Fixtures	93,120
Leasehold Improvements	1,499,523
Artifacts	182,729
Accumulated Depreciation	<u>(4,681,152)</u>
Total Noncurrent Assets	<u>727,046</u>

Total Assets	<u>\$ 1,075,493</u>
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**LIABILITIES**

**Current Liabilities:**

Accounts Payable	\$ 8,204
Accrued Liabilities	14,023
Unearned Revenues	18,462
Due To Other Funds	1,424,632
Due To Other Governments	<u>3,887</u>
Total Current Liabilities	<u>1,469,208</u>

**Noncurrent Liabilities:**

Accrued Compensated Absences	<u>15,360</u>
Total Noncurrent Liabilities	<u>15,360</u>

Total Liabilities	<u>\$ 1,484,568</u>
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**NET POSITION**

Net Investment in Capital Assets	727,046
Unrestricted	<u>(1,136,121)</u>
Total Net Position	<u>\$ (409,075)</u>

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

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2018**

Operating Revenues:	
Charges, Fees And Sales -	
Gate Admission And Programs	\$ 254,601
Memberships	11,620
Restaurant And Special Events	560,653
Gift Shop	97,812
Miscellaneous -	
Other	<u>13,435</u>
Total Operating Revenues	<u>938,121</u>
Operating Expenses:	
Restaurant	633,538
Gift Shop	147,910
Programming	452,228
General And Administrative	155,612
Depreciation	<u>99,862</u>
Total Operating Expenses	<u>1,489,150</u>
Operating Loss	(551,029)
Other Financing Sources:	
Operating Transfers In	<u>75,100</u>
Net Loss	(475,929)
Net Position, Beginning	<u>66,854</u>
Net Position, Ending	<u>\$ (409,075)</u>

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



**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Cash Flows From Operating Activities:</b>	
Receipts From Customers	\$ 935,072
Payments To Suppliers	(800,299)
Payments To Employees	<u>(588,451)</u>
Net Cash Used By Operating Activities	<u>(453,678)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Cash Received From Other Funds	279,765
Transfers From Other Funds	<u>75,100</u>
Net Cash Provided By Noncapital Financing Activities	<u>354,865</u>
 Net Decrease In Cash And Cash Equivalents	 (98,813)
 Cash And Cash Equivalents, Beginning of Period	 <u>409,485</u>
 Cash And Cash Equivalents, End of Period	 <u>\$ 310,672</u>
<b>Reconciliation Of Operating Loss To Net Cash Used By Operating Activities:</b>	
Operating Loss	\$ (551,029)
Adjustments To Reconcile Operating Loss To Net Cash Used By Operating Activities:	
Depreciation	99,862
Changes In Current Assets And Liabilities:	
Accounts Receivable	(4,986)
Inventory	(227)
Prepaid Insurance	3,942
Due To Other Governments	(3,457)
Accounts Payable	976
Accrued Expenses	1,392
Unearned Revenues	1,937
Accrued Compensated Absences	<u>(2,088)</u>
 Net Cash Used By Operating Activities	 <u>\$ (453,678)</u>

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

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Lafayette Parish Bayou Vermilion District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

##### **Financial Reporting Entity**

Lafayette Parish Bayou Vermilion District is a corporate body created under Chapter 32 of Title 33 of the Louisiana Revised Statutes of 1950, comprised of R.S. 33:9201 through 33:9210. The District is governed by a Board of Commissioners composed of nine members. Two members are appointed by the chief executive officers of the incorporated municipalities of Lafayette Parish other than the City of Lafayette; one member is appointed by the chief executive officer of the Lafayette Consolidated Government; three members, one of whom shall be a black citizen, shall be appointed by the governing authority of the City of Lafayette; one member shall be appointed by the chief executive officer of Lafayette Parish; and two members shall be appointed by the governing authority of the Lafayette Consolidated Government. The District is a component unit of Lafayette City-Parish Consolidated Government.

The District's purpose is that of improving the water quality and the aesthetics of the Bayou Vermilion within the Parish of Lafayette in an effort to promote the bayou as a recreational and cultural asset, to create and control a new type of viable economic development adjacent to Bayou Vermilion so as to provide a diversified economic base for the City and Parish of Lafayette, and to do any and all other acts which would enhance the general condition of Bayou Vermilion.

##### **Basis of Presentation**

###### *Government-Wide Financial Statements (GWFS)*

The statement of net position and statement of activities display information about the District as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

*Fund Financial Statements*

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the District are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the District are described below:

Governmental Funds:

*General Fund*

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

*Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

*Debt Service Fund*

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

## LAFAYETTE PARISH BAYOU VERMILION DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

#### (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

##### Proprietary Fund:

##### *Enterprise Fund*

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The enterprise fund included in the financial statements is Vermilionville.

Vermilionville began operations on April 1, 1990. Vermilionville operates as a commemorative museum of living history which preserves and re-creates the elements of folk life of the cultures who settled the Attakapas area of South Louisiana between 1765 and 1890. Services are financed by user charges, membership fees, and sales of food, beverages and souvenirs.

##### **Measurement Focus/Basis of Accounting**

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

##### *Measurement Focus*

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

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

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

## LAFAYETTE PARISH BAYOU VERMILION DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

#### (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

##### *Basis of Accounting*

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Activities present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The accounts of the District are in conformity with generally accepted accounting principles (GAAP).

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The District considers property tax revenue as available in the year following the assessment when the majority of the taxes are actually collected. Other major revenues susceptible to accrual are earned grant revenues, other intergovernmental revenues and interest revenue. The District reports unearned revenue on its balance sheet. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Unearned revenues also arise when resources are received by the District prior to the District incurring qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

##### **Cash and Cash Equivalents**

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts and time deposits of the District.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

##### **Investments**

Under State law, the District may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with professional standards, investments meeting the criteria specified in the standards are stated at fair value. Investments that do not meet the requirements are stated at cost.

##### **Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Activity between funds that are representative of lending/borrowing arrangements usually for working capital purposes with the expectation of repayment but not expected to be repaid within one year are referred to as advances to/from other funds.

##### **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. All receivables are reported net of estimated uncollectible amounts. The allowance for doubtful accounts at December 31, 2018 was \$-0- in the enterprise fund.

##### **Inventories**

Inventories of the proprietary fund are valued at the lower of cost or market. Inventory consists of gift shop merchandise and restaurant food and beverages.

##### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30 – 40 years
Site Improvements	20 years
Equipment	5 – 10 years
Furniture and Fixtures	7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### **Long-term Debt**

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds payable and compensated absences payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund financial statements as it is in the government-wide statements.

#### **Government-wide and Proprietary Fund Net Position**

In the government-wide and proprietary fund financial statements, the District classifies net position and displayed in three components as follows:

- a. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position – All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued***

##### **Governmental Fund Balance**

In the fund statements, governmental fund equity is classified as fund balance. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

- a. **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2018, by the District are nonspendable in form. The District has not reported any amounts that are legally or contractually required to be maintained intact.
- b. **Restricted** – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.
- c. **Committed** – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the District who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the District.
- d. **Assigned** – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District or his designee may assign amounts to this classification.
- e. **Unassigned** – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

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

##### **Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.



## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

##### **Expenditures/Expenses**

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

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

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

##### **Compensated Absences**

The employees of the District earn annual leave in an amount of 8 hours per month based on years of service. Annual leave may be carried forward provided the amount carried forward does not exceed an employee's annual earning rate at that time. Unused annual leave (in excess of what can be carried forward) is credited to the employee's sick leave balance. Upon termination, employees are paid for all accumulated annual leave.

Sick leave is credited to the employees at the rate of 4 hours for each full calendar month of continuous employment. All unused sick leave is carried forward from year to year. No payments are due for such accumulated sick leave upon termination or retirement.

Estimated accrued compensated absences resulting from unused vacation at the end of the fiscal year are recorded as long-term liabilities in the financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. This policy resulted in an accrual for compensated absences of \$30,146 for the general fund and \$15,360 for the proprietary fund at December 31, 2018.

##### **Interfund Transfers**

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

##### **Budgets**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments. All annual appropriations lapse at fiscal year end.

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

##### **Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid expenses.

##### **Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **(B) LEGAL COMPLIANCE - BUDGETS**

A modified accrual basis budget for the General Fund is formally adopted by the District prior to the beginning of the year. After its adoption, adjustments to the budget for transfers between funds and/or functions, changes in the capital budget, or for appropriation of unobligated funds must be approved by the Board. All appropriations for expenditures lapse at year end. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. The budget is prepared by function and activity and includes information on the past year, current year estimates and requested appropriations for the next year.

The proposed budget is presented by the Chief Executive Officer to the Board of Commissioners for review. The Board holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Chief Executive Officer or the estimates must be changed by an affirmative vote of a majority of the Board.

#### **(C) CASH AND INTEREST-BEARING DEPOSITS**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the District has cash and interest-bearing deposits (book balances) totaling \$3,993,234.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(C) CASH AND INTEREST-BEARING DEPOSITS - continued**

*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, however, 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 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2018, are secured as follows:

Bank Balances	<u>\$4,082,643</u>
Federal deposit insurance	\$ 250,000
Pledged securities (Category 3)	<u>4,233,788</u>
Total federal insurance and pledged securities	<u>\$4,483,788</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**(D) RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS**

Receivables and due from other governmental units at December 31, 2018 of \$1,782,665 consist of the following:

	Governmental Activities	Business-type Activities	Total
Ad valorem taxes	\$1,749,192	\$ -	\$1,749,192
Other	<u>28,247</u>	<u>5,226</u>	<u>33,473</u>
Totals	<u>\$1,777,439</u>	<u>\$ 5,226</u>	<u>\$1,782,665</u>

The balance in Due from Sheriff of \$1,578,961 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2018 but not yet been distributed to the District. The amounts reported as ad valorem tax receivable of \$170,231 represents ad valorem taxes collected by the Lafayette Parish Sheriff after December 31, 2018.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(E) AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied by the District in October and were billed to the taxpayers by the Lafayette Parish Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Lafayette Parish Sheriff. The taxes are remitted to Lafayette Parish Bayou Vermilion District net of deductions for pension fund contributions.

For the year ended December 31, 2018, taxes were dedicated as follows:

General Maintenance	0.75
Debt Service	0.17

For the year ended December 31, 2018, taxes were levied on property with assessed valuations totaling \$2,680,216,083, less homestead exemptions of \$394,049,555.

**(F) ACCOUNTS AND OTHER PAYABLES**

The accounts and other payables consisted of the following at December 31, 2018:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts Payable	\$ 4,077	\$ 8,204	\$ 12,281
Other Liabilities	<u>23,643</u>	<u>14,023</u>	<u>37,666</u>
Totals	<u>\$ 27,720</u>	<u>\$ 22,227</u>	<u>\$ 49,947</u>

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(G) CAPITAL ASSETS**

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

	<u>Balance 01/01/2018</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 12/31/2018</u>
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 90,000	\$ 56,000	\$ -	\$ 146,000
Other Capital Assets:				
Buildings	336,777	-	-	336,777
Site Improvements	2,881,351	38,245	-	2,919,596
Equipment	<u>848,459</u>	<u>107,384</u>	<u>-</u>	<u>955,843</u>
Totals	<u>4,156,587</u>	<u>201,629</u>	<u>-</u>	<u>4,358,216</u>
Less Accumulated Depreciation:				
Buildings	138,672	17,662	-	156,334
Site Improvements	1,905,146	100,348	-	2,005,494
Equipment	<u>542,963</u>	<u>80,994</u>	<u>-</u>	<u>623,957</u>
Total accumulated depreciation	<u>2,586,781</u>	<u>199,004</u>	<u>-</u>	<u>2,785,785</u>
Governmental Activities Capital Assets, net	<u>\$1,569,806</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$1,572,431</u>
<b>Business-type Activities:</b>				
Capital Assets not being Depreciated:				
Artifacts	<u>\$ 182,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,729</u>
Other Capital Assets:				
Buildings	3,405,063	-	-	3,405,063
Site Improvements	1,499,523	-	-	1,499,523
Equipment	227,763	-	-	227,763
Furniture and Fixtures	<u>93,120</u>	<u>-</u>	<u>-</u>	<u>93,120</u>
Totals	<u>5,225,469</u>	<u>-</u>	<u>-</u>	<u>5,225,469</u>
Less Accumulated Depreciation:				
Buildings	2,668,896	99,862	-	2,768,758
Site Improvements	1,499,523	-	-	1,499,523
Equipment	319,751	-	-	319,751
Furniture and Fixtures	<u>93,120</u>	<u>-</u>	<u>-</u>	<u>93,120</u>
Total accumulated depreciation	<u>4,581,290</u>	<u>99,862</u>	<u>-</u>	<u>4,681,152</u>
Business Activities Capital Assets, net	<u>\$ 826,908</u>	<u>\$ (99,862)</u>	<u>\$ -</u>	<u>\$ 727,046</u>

Depreciation expense for the governmental activities in the amount of \$199,004 was charged to the general government function. Depreciation expense for the business-type activities in the amount of \$99,862 was charged to Vermilionville.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(H) CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2018:

	Balance at <u>12/31/17</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>12/31/18</u>
Bonds Payable	\$ 3,950,000	\$ -	\$ (130,000)	\$ 3,820,000
Compensated Absences Payable	<u>48,461</u>	<u>-</u>	<u>(2,955)</u>	<u>45,506</u>
Total Long-Term Obligations	<u>\$ 3,998,461</u>	<u>\$ -</u>	<u>\$ (132,955)</u>	<u>\$ 3,865,506</u>
Current Portion				<u>\$ 135,000</u>

Long-term debt payable at December 31, 2018 is comprised of the following individual issue:

General Obligation Bonds:

\$4,000,000 General obligation bonds, Series 2016; due in annual installments of \$50,000 to \$315,000 through March 1, 2036; interest at 2.0 percent to 2.65 percent; payable from ad valorem taxes. \$ 3,820,000

The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2019	\$ 135,000	\$ 83,344
2020	140,000	80,594
2021	150,000	77,694
2022	155,000	74,643
2023	165,000	71,444
2024-2028	950,000	303,469
2029-2033	1,225,000	187,594
2034-2036	<u>900,000</u>	<u>35,484</u>
Total	<u>\$ 3,820,000</u>	<u>\$ 914,266</u>

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(I) LEASE AND INTERGOVERNMENTAL AGREEMENTS**

- A. The District entered into a lease agreement with the City of Lafayette, the Parish of Lafayette, and the Lafayette Airport Commission for Beaver Park property for the construction and operation of the Vermilionville Project. The lease commenced on August 17, 1987 with monthly payments of \$100 due on the first day of each month, with an annual CPI adjustment option, current monthly payments are \$1,250. The lease shall extend for a time period of seventy-one years. Property lease expenditure in the amount of \$15,000 is included in the General Fund's statement of revenues and expenditures for the year ended December 31, 2018.
- B. The District entered into an intergovernmental agreement with the State of Louisiana Department of Transportation and Development on August 4, 1987 to use the land and airspace of the Interstate Route I-10 over the Vermilion River between Louisiana Avenue and Calais Road for the purpose of constructing, operating, and maintaining a public boat launch.
- C. Lafayette Parish Bayou Vermilion District and Lafayette Airport Commission entered into an agreement on April 5, 1989 for the Beaver Park property for a period of 20 years with monthly lease payments of \$550 on the first day of the month following the opening of the Vermilionville Project. The lease was renewed on April 5, 2009 for an additional ten years with a monthly lease payment of \$412 and with an annual CPI adjustment. Land rent expense in the amount of \$5,155 is included in the Enterprise Fund's statement of revenues and expenses for the year ended December 31, 2018.

Future minimum lease payments under these operating leases are as follows:

<u>Years Ended December 31,</u>	
2019	\$ 16,634
2020	15,000
2021	15,000
2022	15,000
2023	15,000
2024-2028	75,000
2029-2033	75,000
2034-2038	75,000
2039-2043	75,000
2044-2048	75,000
2049-2053	75,000
2054-2058	75,000
	<u>\$601,634</u>

#### **(J) BOARD MEMBERS COMPENSATION**

No per diem or other compensation was paid to the members of Lafayette Parish Bayou Vermilion District for the year ended December 31, 2018.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(K) DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The District began contributing on April 1, 2018 to the Parochial Employees' Retirement System (PERS) of Louisiana – Plan A, a multiple-employer, cost-sharing public employee retirement plan that was established by the Louisiana Legislature as of January 1, 1953 by Act 205 of 1952. The PERS was revised by Act 765 of 1979, revised by Act 584 of 2006.

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

**Eligibility Requirements**

All District employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

**Retirement Benefits**

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- a) Thirty years of creditable service regardless of age.
- b) Twenty-five years of creditable service at age 55.
- c) Ten years of creditable service at age 60.
- d) Seven years of creditable service at age 65.

For employees hired after January 1, 2007:

- a) Thirty years of creditable services at age 55.
- b) Ten years of creditable service at age 62.
- c) Seven years of creditable service at age 67.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.



**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(K) DEFINED BENEFIT PENSION PLAN-continued**

**Survivor Benefits**

Upon death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

**Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has a least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board.

Upon retirement caused by disability, a member of the Plan shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

**Deferred Retirement Option Plan**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account (IRA).

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

## **LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

#### **(K) DEFINED BENEFIT PENSION PLAN-continued**

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

#### **Cost of Living Increases**

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

#### **Employer Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2017, the actually determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017 was 12.5% for Plan A.

The total contributions for the year ended December 31, 2018 was \$146,279.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities.

#### **Retirement System Audit Report**

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(L) RISK MANAGEMENT**

The District is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

**(M) INTERFUND TRANSACTIONS**

**1. Receivables and Payables**

Interfund receivables and payables consisted of the following at December 31, 2018:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,424,632	\$ -
Enterprise Fund	<u>-</u>	<u>1,424,632</u>
Total	<u>\$ 1,424,632</u>	<u>\$ 1,424,632</u>

**2. Operating transfers**

Operating transfers consisted of the following at December 31, 2018:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$ 75,100
Enterprise Fund	<u>75,100</u>	<u>-</u>
Total	<u>\$ 75,100</u>	<u>\$ 75,100</u>

Transfers are used to transfer unrestricted revenues collected in different funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**(N) 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 and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 only one type of item, which arises under an accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, ad valorem taxes, is reported as deferred inflows.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**(O) COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER**

A detail of compensation, benefits, and other payments paid to the Chief Executive Officer, David Cheramie for the year ended December 31, 2018:

	<u>Purpose</u>	<u>Amount</u>
	Salary	<u>\$ 71,912</u>

**(P) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 22, 2019, the date which the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT  
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED DECEMBER 31, 2018**

	2018			
	Budget			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 1,603,000	\$ 1,582,500	\$ 1,669,602	\$ 87,102
Intergovernmental	130,000	134,800	227,008	92,208
Interest	10,500	28,950	27,943	(1,007)
Miscellaneous	90,000	129,250	25,530	(103,720)
Total Revenues	<u>1,833,500</u>	<u>1,875,500</u>	<u>1,950,083</u>	<u>74,583</u>
<b>Expenditures:</b>				
Current -				
General Government	1,644,040	1,666,760	1,627,277	39,483
Capital Outlay	<u>8,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total Expenditures	<u>1,652,040</u>	<u>1,675,760</u>	<u>1,636,277</u>	<u>39,483</u>
Excess Of Revenues Over Expenditures	<u>181,460</u>	<u>199,740</u>	<u>313,806</u>	<u>35,100</u>
<b>Other Financing Uses:</b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(75,100)</u>	<u>(75,100)</u>
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(75,100)</u>	<u>(75,100)</u>
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	181,460	199,740	238,706	(40,000)
Fund Balance, Beginning	<u>1,863,720</u>	<u>1,863,720</u>	<u>1,863,720</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,045,180</u>	<u>\$ 2,063,460</u>	<u>\$ 2,102,426</u>	<u>\$ (40,000)</u>

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**A. BASIS OF ACCOUNTING**

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

**COMPLIANCE  
AND  
INTERNAL CONTROL**



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## INDEPENDENT AUDITORS' 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

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The Board of Commissioners  
Lafayette Parish Bayou Vermilion District  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Lafayette Parish Bayou Vermilion District's basic financial statements, and have issued our report thereon dated June 22, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lafayette Parish Bayou Vermilion 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Bayou Vermilion 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.

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lafayette Parish Bayou Vermilion 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 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.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
June 22, 2019

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2018**

We have audited the financial statements of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2018, and have issued our report thereon dated June 22, 2019. We conducted our audit in accordance with generally accepted auditing standards of 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 provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements as of December 31, 2018 resulted in an unmodified opinion.

**Section I - Summary of Auditors' Reports**

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

Internal Control

Significant Deficiencies  
Material Weaknesses

☐ Yes  
☐ Yes

☒ No  
☒ No

Compliance

Compliance Material to Financial Statements

☐ Yes

☒ No

b. Management Letter

Was a management letter issued?

☐ Yes

☒ No

**Section II - Financial Statement Findings**

There were no control deficiencies or instances of material noncompliance noted during the audit.

**Section III - Federal Award Findings and Questioned Costs**

This section is not applicable for the fiscal year ending December 31, 2018.

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT**  
Lafayette, Louisiana

Independent Accountants' Report  
On Applying Agreed-Upon Procedures

Year Ended December 31, 2018

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors and Management  
Lafayette Parish Bayou Vermilion District  
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Lafayette Parish Bayou Vermilion District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Lafayette Parish Bayou Vermilion District's compliance with certain laws, regulations and best practices during the year ended December 31, 2018. Management of Lafayette Parish Bayou Vermilion District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

### *Written Policies and Procedures*

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*Written policies and procedures were obtained however they do not address all of the functions noted above.*

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

*There were no written policies and procedures noted.*

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

*There were no written policies and procedures noted.*

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

*There were no written policies and procedures noted.*

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

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

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

*There were no written policies and procedures noted.*

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

*There were no written policies and procedures noted.*

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

*There were no written policies and procedures noted.*

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

*There were no written policies and procedures noted.*

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

*There were no written policies and procedures noted.*

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

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

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

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

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did discuss financial statements and operating results.*

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

*There was no deficit spending noted.*

#### **Bank Reconciliations** \_\_\_\_\_

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

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

*Obtained listing of client bank accounts from management and management's representation that the listing is complete.*

- 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

*Bank reconciliation are being outsourced and not reviewed by a member of management or board member.*

- 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.

*It was noted that there are numerous outstanding checks dating back several years on accounts tested. There is no indication that any of these items have been addressed.*

## Collections

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

*This was not required to be tested in the fiscal year.*

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

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

*No exceptions noted.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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



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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

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).

*This was not required to be tested in the fiscal year.*

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.

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

- 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.

*This was not required to be tested in the fiscal year.*

- 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.

*This was not required to be tested in the fiscal year*

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.

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

**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), 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.

*Listing of active credit cards, and name of person who maintain possession of cards and management's representation that the listing is complete was obtained. There are no fuel cards or debit cards used.*

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

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

*Monthly statements were obtained and address the functions noted above.*

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

*There were finance charges and/or late fees assessed on the sample selected.*

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).

*No exceptions noted.*

### **Travel and Expense Reimbursement**

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

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

### **Contracts**

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

- 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.

*This was not required to be tested in the fiscal year.*

- 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).

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

- 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.

*This was not required to be tested in the fiscal year.*

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

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

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

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

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*This was not required to be tested in the fiscal year.*

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.

*This was not required to be tested in the fiscal year.*

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

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

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

*No exceptions noted.*

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

*There is no written ethics policy.*

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

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

*This was not required to be tested in the fiscal year.*

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

*This was not required to be tested in the fiscal year.*

#### ***Other***

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

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

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

*No exceptions noted.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

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

This report is intended solely for the use of management of Lafayette Parish Bayou Vermilion District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
June 22, 2019



Where conservation is current.

June 22, 2019

Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC  
P.O. Box 80569  
Lafayette, LA 70598

The following is Management's response to the 2018 AUP report submitted.

#### WRITTEN POLICIES AND PROCEDURES

1. a) Management will work toward expanding the existing policy and procedures.
- b) Management will work toward writing a formal written policy.
- c) Management will work toward writing a formal written policy.
- d) Management will work toward writing a formal written policy.
- f) Management will work toward writing a formal written policy.
- g) Management will work toward writing a formal written policy.
- h) Management will work toward writing a formal written policy.
- i) Management will work toward writing a formal written policy.
- j) Management will work toward writing a formal written policy.

#### BANK RECONCILIATIONS

- 3 b) Management will review bank reconciliations.
- 3 c) Management will research reconciling items and address accordingly.

If any additional information is needed, please contact me.

David Cheramie  
Executive Director