BAYOU VERMILION DISTRICT

LAFAYETTE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2023

BAYOU VERMILION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bayou Vermilion District
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Bayou Vermilion District, A Component Unit of the Consolidated Government of Lafayette, Louisiana as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the, as of December 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bayou Vermilion District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required schedules on pages 44-48 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bayou Vermilion District's basic financial statements. The schedule of revenues and expenditures, and the schedule of compensation, benefits and other payments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the 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 Bayou Vermilion District's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 20, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash And Interest-Bearing Deposits	$ 2,221,998	$ 424,768	$ 2,646,766
Receivables, Net	25,065	13,241	38,306
Ad Valorem Tax Receivable	214,386	-	214,386
Due From Sheriff	2,110,148	-	2,110,148
Internal Balances	(41,287)	41,287	-
Prepaid Expenses	67,644	-	67,644
Inventory	-	30,091	30,091
Total Current Assets	4,597,954	509,387	5,107,341
Noncurrent Assets:			
Land	146,000	-	146,000
Construction In Progress	6,000	-	6,000
Capital Assets, Net	2,592,657	598,688	3,191,345
Total Noncurrent Assets	2,744,657	598,688	3,343,345
Total Assets	$ 7,342,611	$ 1,108,075	$ 8,450,686
Deferred Outflows of:			
Deferred Outflows of Resources - Pension	$ 146,155	$ 243,383	$ 389,538

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

BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts And Other Payables	$ 129,492	$ 49,024	$ 178,516
Unearned Revenue	-	25,881	25,881
Grant Advance	5,202	-	5,202
Leases Payable Due Within One Year	7,504	-	7,504
Bonds Payable	170,000	-	170,000
Accrued Interest	23,265	-	23,265
Total Current Liabilities	335,463	74,905	410,368
Noncurrent Liabilities:			
Accrued Compensated Absences	23,267	22,438	45,705
Leases Payable Due in More than One Year	48,310	-	48,310
Bonds Payable, Net	2,938,293	-	2,938,293
Net Pension Liability	100,375	167,151	267,526
Total Noncurrent Liabilities	3,110,245	189,589	3,299,834
Total Liabilities	3,445,708	264,494	3,710,202
DEFERRED INFLOWS OF RESOURCES			
Ad Valorem Taxes	2,324,534	-	2,324,534
Deferred Inflows of Resources - Pension	17,940	29,875	47,815
Total Deferred Inflow of Resources	2,342,474	29,875	2,372,349
NET POSITION			
Net Investment in Capital Assets	2,690,355	598,689	3,289,044
Restricted for Capital Projects	2,273	-	2,273
Restricted For Debt Service	726,049	-	726,049
Unrestricted	(1,718,093)	458,400	(1,259,693)
Total Net Position	$ 1,700,584	$ 1,057,089	$ 2,757,673

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

BAYOU VERMILION DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	$ 1,208,437	$ -	$ 109,270	$ (1,099,167)	$ -	$ (1,099,167)
Interest on Long-Term Debt	62,845	-	-	(62,845)	-	(62,845)
Total Governmental Activities	1,271,282	-	109,270	(1,162,012)	-	(1,162,012)
Business-Type Activities:						
Vermilionville	1,815,234	917,194	-	-	(898,040)	(898,040)
Total Business-Type Activities	1,815,234	917,194	-	-	(898,040)	(898,040)
Total	$ 3,086,516	$ 917,194	$ 109,270	(1,162,012)	(898,040)	(2,060,052)
General Revenues:						
Taxes -						
Property Taxes, Levied for General Purposes				2,132,081	-	2,132,081
Interest and Investment Earnings				137,364	-	137,364
Nonemployer Pension Contributions				2,431	4,046	6,477
Miscellaneous				47,371	22,264	69,635
Transfers				(852,539)	852,539	-
Total General Revenues and Transfers				1,466,708	878,849	2,345,557
Change in Net Position				304,696	(19,191)	285,505
Net Position - January 1, 2023				1,395,888	1,076,279	2,472,167
Net Position - December 31, 2023				$ 1,700,584	$ 1,057,089	$ 2,757,672

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

FUND FINANCIAL STATEMENTS (FFS)

BAYOU VERMILION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Debt Service	Capital Projects	Total
ASSETS				
Cash And Interest-Bearing Deposits	$ 1,464,411	$ 749,314	$ 8,273	$ 2,221,998
Receivables -				
Grants	25,065	-	-	25,065
Due From Sheriff	1,873,042	237,106	-	2,110,148
Prepaid Expenses	67,644	-	-	67,644
Total Assets	$ 3,430,162	$ 986,420	$ 8,273	$4,424,855
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 100,376	-	$ 6,000	$ 106,376
Due To Other Funds	41,287	-	-	41,287
Accrued Expenses	23,116	-	-	23,116
Grant Advance	5,202	-	-	5,202
Total Current Liabilities	169,981	-	6,000	175,981
DEFERRED INFLOWS OF RESOURCES				
Ad Valorem Taxes	1,873,042	237,106	-	2,110,148
Total Deferred Inflow of Resources	1,873,042	237,106	-	2,110,148
FUND BALANCES				
Fund Balances -				
Nonspendable	67,644	-	-	67,644
Restricted	-	749,314	2,273	751,587
Unassigned	1,319,495	-	-	1,319,495
Total Fund Balances	1,387,139	749,314	2,273	2,138,726
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,430,162	$ 986,420	$ 8,273	$4,424,855

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

BAYOU VERMILION DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2023

Total fund balances for governmental funds at December 31, 2023		$ 2,138,726
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	
Construction in progress	6,000	
Intangible right-to-use asset, net of $15,515 accumulated amortization	54,302	
Buildings, net of $258,637 accumulated depreciation	1,224,790	
Site improvements, net of $2,423,085 accumulated depreciation	1,249,926	
Equipment, net of $919,960 accumulated depreciation	63,639	2,744,657
Long-term liabilities at December 31, 2023:		
Accrued compensated absences	(23,267)	
Net pension liability (asset)	(100,375)	
Bonds payable	(3,075,000)	
Bond premium, net of $16,646 accumulated amortization	(33,293)	
Lease liability	(55,814)	
Accrued interest payable	(23,265)	(3,311,014)
Deferred Outflows of Resources Related to Net Pension Liability		146,155
Deferred Inflows of Resources Related to Net Pension Liability		(17,940)
Total net position of governmental activities at December 31, 2023		$ 1,700,584

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

BAYOU VERMILION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	Debt Service	Capital Projects	Total
Revenues:				
Ad Valorem Taxes	$ 1,892,471	$ 239,610	$ -	$ 2,132,081
Intergovernmental	109,270	-	-	109,270
Interest	99,694	37,265	405	137,364
Miscellaneous	47,371	-	-	47,371
Total Revenues	2,148,806	276,875	405	2,426,086
Expenditures:				
Current -				
General Government	882,798	11,079	400	894,277
Capital Outlay	68,629	-	6,000	74,629
Debt Service -				
Principal Paid	7,355	165,000	-	172,355
Interest And Fiscal Charges	1,196	71,444	-	72,640
Total Expenditures	959,978	247,523	6,400	1,213,901
Excess (Deficiency) Of Revenues Over Expenditures	1,188,828	29,352	(5,995)	1,212,185
Other Financing Sources (Uses):				
Transfers Out	(852,539)	-	-	(852,539)
Total Other Financing Sources (Uses)	(852,539)	-	-	(852,539)
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	336,289	29,352	(5,995)	359,646
Fund Balances, Beginning	1,050,850	719,961	8,268	1,779,079
Fund Balances, Ending	$ 1,387,139	$ 749,313	$ 2,273	$ 2,138,725

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

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, 2023

Total net changes in fund balances at December 31, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances		$ 359,646
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	$ 74,629	
Depreciation expense for the year ended December 31, 2023	(265,159)	(190,530)
The issuance of Long- term debt provides current financial resources of Governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position:		
Principal payments on outstanding leases	7,355	
Amortization expense for the year ended December 31, 2023	(7,757)	(402)
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		165,000
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		7,167
The effect of recording net pension liability, deferred outflows of resources and deferred inflows of resources as it relates to the net pension liability:		
Change in pension expense	(39,302)	
Nonemployer pension contribution revenue recognized	2,431	(36,871)
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.		(1,942)
Total changes in net position at December 31, 2023 per Statement of Activities		$ 304,696

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

BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

ASSETS		
Current Assets:		
Cash And Interest-Bearing Deposits	$	424,768
Accounts Receivable		13,241
Due From Other Funds		41,286
Inventory		30,091
Total Current Assets		509,386
Noncurrent Assets:		
Buildings		3,405,063
Equipment		232,258
Furniture And Fixtures		93,120
Leasehold Improvements		1,499,523
Artifacts		182,729
Accumulated Depreciation		(4,814,005)
Total Noncurrent Assets		598,688
Total Assets	$	1,108,074
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources - Pension	$	243,383
Total Deferred Outflows of Resources	$	243,383

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

BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

LIABILITIES		
Current Liabilities:		
Accounts Payable	$	20,267
Accrued Liabilities		28,757
Unearned Revenues		25,881
Total Current Liabilities		74,905
Noncurrent Liabilities:		
Accrued Compensated Absences		22,438
Net Pension Liability		167,151
Total Noncurrent Liabilities		189,589
Total Liabilities	$	264,494
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources - Pension	$	29,875
Total Deferred Inflows of Resources	$	29,875
NET POSITION		
Net Investment in Capital Assets	$	598,688
Unrestricted		458,400
Total Net Position	$	1,057,088

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

BAYOU VERMILION DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

Operating Revenues:	
Charges, Fees And Sales -	
Gate Admission And Programs	$ 265,857
Hospitality	494,489
Gift Shop	151,848
Miscellaneous -	
Grants	5,000
Other	22,264
Total Operating Revenues	939,458
Operating Expenses:	
Hospitality	570,272
Gift Shop	139,238
Programming	377,129
Curator	47,855
Marketing	5,842
Maintenance	188,885
General And Administrative	405,641
Pension Expense	27,011
Grant Expense	48,452
Depreciation	4,909
Total Operating Expenses	1,815,234
Operating Loss	(875,776)
Non-Operating Revenues:	
Nonemployer Pension Contribution	4,046
Other Financing Sources:	
Operating Transfers In	852,539
Net Income (Loss)	(19,191)
Net Position, Beginning	1,076,279
Net Position, Ending	$ 1,057,088

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

BAYOU VERMILION DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities:	
Receipts From Customers	$ 942,166
Payments To Suppliers	(1,342,299)
Payments To Employees	(417,564)
Net Cash Used By Operating Activities	(817,697)
Cash Flows From Capital and Noncapital Financing Activities:	
Purchase of Property and Equipment	(4,494)
Cash Paid To Other Funds	(16,699)
Transfers From Other Funds	852,539
Net Cash Provided By Noncapital Financing Activities	831,346
Net Increase In Cash And Cash Equivalents	13,649
Cash And Cash Equivalents, Beginning of Period	411,119
Cash And Cash Equivalents, End of Period	$ 424,768
Reconciliation Of Operating Loss To Net Cash Used By Operating Activities:	
Operating Loss	$ (875,776)
Adjustments To Reconcile Operating Loss To Net Cash Used By Operating Activities:	
Depreciation	4,909
Provision for Net Pension Liability, Net	27,011
Changes In Current Assets And Liabilities:	
Accounts Receivable	(13,241)
Inventory	(7,066)
Due To Other Governments	(3,116)
Accounts Payable	12,791
Accrued Expenses	14,940
Unearned Revenues	15,949
Accrued Compensated Absences	5,902
Net Cash Used By Operating Activities	$ (817,697)

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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

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.

NOTE 1 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:

<u>Governmental Funds:</u>

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.

NOTE 1 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.

NOTE 1 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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, 2023 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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, net pension liabilities 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."

NOTE 1 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, 2023, 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.

NOTE 1 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 $23,267 for the general fund and $22,438 for the proprietary fund at December 31, 2023.

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.

Prepaid Expenses

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Leases

The District is the lessee for a noncancelable lease of land. It recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured at or before the lease commencement date, plus certain initial direct cost. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The District uses the interest rate charged by the lessor at the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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.

Deferred Outflows of Resources and Deferred Inflows of Resources - In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues in a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Pensions – The District funds all of its accrued pension cost at the time of contribution, for its contributory pension plan which covers substantially all of its employees. Annual costs are actuarially computed using the entry age normal cost method.

NOTE 2 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.

NOTE 2 LEGAL COMPLIANCE – BUDGETS - Continued

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.

NOTE 3 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, 2023, the District has cash and interest-bearing deposits (book balances) totaling 2,646,766.

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, 2023, are secured as follows:

Bank Balances	$2,658,465
Federal deposit insurance	$ 250,000
Pledged securities (Category 3)	2,408,465
Total federal insurance and pledged securities	$2,658,465

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.

NOTE 4 RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

Receivables and due from other governmental units at December 31, 2023 of $2,362,840 consist of the following:

	Governmental Activities	Business-type Activities	Total
Ad valorem taxes	$2,324,534	$ -	$2,324,534
Other	25,065	13,241	38,306
Totals	$2,349,599	$ 13,241	$2,362,840

The balance in Due from Sheriff of $2,110,148 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2023 but not yet been distributed to the District. The amounts reported as ad valorem tax receivable of $214,386 represents ad valorem taxes collected by the Lafayette Parish Sheriff after December 31, 2023.

NOTE 5 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 Bayou Vermilion District net of deductions for pension fund contributions.

For the year ended December 31, 2023, taxes were dedicated as follows:

General Maintenance	0.79
Debt Service	0.10

For the year ended December 31, 2023, taxes were levied on property with assessed valuations totaling $3,051,244,688, less homestead exemptions of $439,437,957.

NOTE 6 ACCOUNTS AND OTHER PAYABLES

The accounts and other payables consisted of the following at December 31, 2023:

	Governmental Activities	Business-type Activities	Total
Accounts payable	$ 129,492	$ 49,024	$ 178,516
Other liabilities	23,265	-	23,265
Totals	$ 152,757	$ 49,024	$ 201,781

NOTE 7 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 was as follows:

	Balance 01/01/2023	Additions	Transfers/ Deletions	Balance 12/31/2023
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 146,000	$ -	$ -	$ 146,000
Construction In Progress	-	6,000	-	6,000
Other Capital Assets:				
Right-To-Use-Asset	77,574	-	-	77,574
Buildings	1,534,951	-	-	1,534,951
Site Improvements	3,784,456	-	-	3,784,456
Equipment	1,017,160	68,629	-	1,085,789
Totals	6,560,141	74,629	-	6,634,770
Less Accumulated Depreciation and Amortization:				
Right-To-Use Asset	15,515	7,757		23,272
Buildings	258,637	51,524	-	310,161
Site Improvements	2,423,085	111,445	-	2,534,530
Equipment	919,960	102,190	-	1,022,150
Total Accumulated Depreciation	3,617,197	272,916	-	3,890,113
Governmental Activities Capital Assets, net	$2,942,944	$(204,287)	$ -	$2,744,657
Business-type Activities:				
Capital Assets not being Depreciated:				
Artifacts	$ 182,729	$ -	$ -	$ 182,729
Other Capital Assets:				
Buildings	3,405,063	-	-	3,405,063
Site Improvements	1,499,523	-	-	1,499,523
Equipment	227,763	4,495	-	232,257
Furniture and Fixtures	93,120	-	-	93,120
Totals	5,225,469	4,495	-	5,229,964
Less Accumulated Depreciation:				
Buildings	2,988,753	1,133	-	2,989,886
Site Improvements	1,499,523	-	-	1,499,523
Equipment	227,700	3,776	-	231,476
Furniture and Fixtures	93,120	-	-	93,120
Total Accumulated Depreciation	4,809,096	4,909	-	4,814,005
Business Activities Capital Assets, net	$ 599,102	$ (414)	$ -	$ 598,688

Depreciation and amortization expense for the governmental activities in the amount of $272,916 was charged to the general government function. Depreciation expense for the business-type activities in the amount of $4,909 was charged to Vermilionville.

NOTE 8 CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2023:

	Balance at 12/31/22	Additions	Deductions	Balance at 12/31/23
Bonds Payable	$ 3,240,000	$ -	$ (165,000)	$ 3,075,000
Lease Liability	63,169	-	(7,355)	55,814
Compensated Absences Payable	37,862	7,843	-	45,705
Total Long-Term Obligations	$ 3,341,031	$ 7,843	$ (172,355)	$ 3,176,519
Current Portion				$ 177,503

Long-term debt payable at December 31, 2023 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.	$ 3,075,000
Unamortized Bond Premium	33,293
Net General Obligation Bonds Outstanding	$ 3,108,293

The bonds are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments
2024	$ 170,000	$ 68,094
2025	180,000	64,594
2026	190,000	60,894
2027	200,000	56,994
2028	210,000	52,894
2029-2033	1,225,000	187,594
2034-2036	900,000	35,484
Total	$ 3,075,000	$ 526,548

NOTE 9 LEASES AND INTERGOVERNMENTAL AGREEMENTS

Intergovernmental Agreements

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.

Leases

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, 2023. Future minimum lease payments are $15,000 annually through 2053. This lease did not meet the criteria for recordation under GASB 87 *Leases*.

Bayou Vermilion District and Lafayette Airport Commission entered into an agreement on April 5, 1989 for the Beaver Park property for an initial period of 20 years with an extension through December 31, 2020. On January 1, 2021, a new lease was signed for a term of 10-year lease commencing on January 1, 2021, through December 31, 2030, and an incremental borrowing rate of 2%. The lease is payable in current monthly payments of $713. The terms and conditions of the lease contain an annual CPI adjustment, but has no residual value guarantees, or any other special provisions. The total of the District's leased assets are recorded at cost of $77,574, less accumulated amortization of $23,272. Land rent expense in the amount of $8,551 is included in the General Fund's statement of revenues and expenditures for the year ended December 31, 2023.

Principal and Interest payments due on lease liabilities under these leases are as follows:

Years Ended December 31,	Principal	Interest
2024	$ 7,504	$ 1,048
2025	7,655	896
2026	7,809	742
2027	7,967	584
2028	8,128	423
2029-2030	16,750	
		351
	$ 55,814	$ 4,045

NOTE 10 BOARD MEMBERS COMPENSATION

No per diem or other compensation was paid to the members of Bayou Vermilion District for the year ended December 31, 2023.

NOTE 11 DEFINED BENEFIT PENSION PLAN

Plan Description

Beginning on April 1, 2018, all full-time employees of the Bayou Vermilion District participate in the Parochial Employees' Retirement System (PERS) of Louisiana – Plan A, a cost sharing, multiple-employer defined benefit pension 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) Any age with thirty (3) or more years of creditable service.
b) Age 55 with twenty-five (25) years of creditable service.
c) Age 60 with a minimum of ten (10) years of creditable service.
d) Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

a) Age 55 with 30 years of service.
b) Age 62 with 10 years of service.
c) Age 67 with 7 years of service.

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.

NOTE 11 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.

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the 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.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts that remain credited to the individual’s subaccount after termination in DROP 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 DROP 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 DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

NOTE 11 DEFINED BENEFIT PENSION PLAN - continued

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, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.10% of member's compensation for Plan A. The actual rate for the fiscal year ending December 31, 2022, was 11.50% for Plan A.

The total contributions for the years ended December 31, 2023, 2022, and 2021 were $67,144, $54,800, and $85,863, respectively. As of December 31, 2023, the District has a pension contribution liability in the amount of $31,349, included in accounts payable.

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 additional employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contributions to the plan during the fiscal year ended December 31, 2023, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2023.

NOTE 11 DEFINED BENEFIT PENSION PLAN - continued

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers as of December 31, 2022, are as follows:

	PLAN A
Total Pension Liability	$ 4,658,944,882
Plan Fiduciary Net Position	4,274,065,818
Total Net Pension Liability	$ 384,879,064

The District's allocation is 0.069509% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022, are as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years for Plan A
Projected Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP 2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for disabled annuitants.
Inflation Rate	2.30%

NOTE 11 DEFINED BENEFIT PENSION PLAN - continued

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contributions rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
Totals	100%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013, through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

NOTE 11 DEFINED BENEFIT PENSION PLAN - continued

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability (asset) of the participating employers as of December 31, 2022 calculated using the discount rate of 6.40%, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

PLAN A

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	5.40%	6.40%	7.40%
Net Pension Liability (Asset)	$ 661,600	$ 267,526	$ (62,855)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2023, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of $9,891 and a deferred inflow of resources in the amount of $29,475 for the year ended December 31, 2023.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of $282,421 for the year ended December 31, 2023.

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of $8,538 for the year ended December 31, 2023.

NOTE 11 DEFINED BENEFIT PENSION PLAN - continued

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion resulted in a deferred outflow of resources in the amount of $21,544 and a deferred inflow of $18,340 for the year ended December 31, 2023.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2022. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the District reported a liability of $267,526 for its proportionate share of the net pension liability, of which $100,375 and $167,151 was reported in the governmental activities and business-type activities, respectively.

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the District's proportion was 0.069509%, which was a decrease of 0.034961% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension expense of $133,457 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $100.

NOTE 11 DEFINED BENEFIT PENSION PLAN - continued

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference Between Expected and Actual Experience	$ 3,711	$ 11,059	$ 6,180	$ 18,416
Changes of Assumptions	3,203	-	5,335	-
Change in Proportion and Differences Between the Employer's Proportionate Share of Contributions	8,083	-	13,461	11,459
Net Differences Between Projected and Actual Earnings on Plan Investments	105,966	6,881	176,455	-
Contributions Subsequent to the Measurement Date	25,192	-	41,952	-
Total	$ 146,155	$ 17,940	$ 243,383	$ 29,875

Deferred outflows of resources of $67,144 related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2023	$ 3,509
2024	47,062
2025	97,348
2026	126,589
Total	$ 274,508

NOTE 12 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.

NOTE 13 CONTINGENT LIABILITY LITIGATION

In the normal course of business, there may be various outstanding contingent liabilities such as lawsuits, etc., which are not reflected in the accompanying financial statements. Management is of the opinion that this would not be material to the financial condition or results of operation.

NOTE 14 COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER

Compensation, benefits, and other payments paid to the Executive Director, Stephen Broussard for the year ended December 31, 2023 amounted to $38,077 in salaries, there were no other payments made.

NOTE 15 INTERFUND TRANSACTIONS

Interfund receivables and payables consisted of the following at December 31, 2023:

	Interfund Receivables	Interfund Payables
General Fund	$ 41,287	$ -
Enterprise Fund	-	41,287
Total	$ 4,287	$ 41,287

Operating transfers consisted of the following at December 31, 2023:

	Operating Transfers In	Operating Transfers Out
General Fund	$ -	$ 852,539
Enterprise Fund	852,539	-
Total	$ 852,539	$ 852,539

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.

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

As of December 31, 2023, the Governmental Accounting Standards Board has issued several statements not yet implemented by the Authority. The statements that may impact the Authority are as follows:

GASB Statement 100, *Accounting Changes and Error Corrections*
This primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023. This primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement 101, *Compensated Absences*
This Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2024.

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 20, 2024, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BAYOU VERMILION DISTRICT
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2023

	2023			
	Budget			Variance - Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Ad Valorem Taxes	$ 1,677,000	$ 1,887,690	$ 1,892,471	$ 4,781
Intergovernmental	123,711	94,550	109,270	14,720
Interest	24,700	99,800	99,694	(106)
Grant Revenue	-	9,000	-	(9,000)
Fraud	-	(149,749)	-	149,749
Miscellaneous	20,000	30,000	47,371	17,371
Total Revenues	1,845,411	1,971,291	2,148,806	177,515
Expenditures:				
Current -				
General Government	908,509	922,432	882,798	39,634
Capital Outlay	35,000	35,000	68,629	(33,629)
Debt Service	-	-	1,196	(1,196)
Total Expenditures	943,509	957,432	952,623	4,809
Excess (Deficiency) Of Revenues Over Expenditures	901,902	1,013,859	1,196,183	172,706
Other Financing Uses:				
Transfers Out	(806,355)	(806,355)	(852,539)	(46,184)
Total Other Financing Uses	(806,355)	(806,355)	(852,539)	(46,184)
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	95,547	207,504	343,644	126,522
Fund Balance, Beginning	1,050,850	1,050,850	1,050,850	-
Fund Balance, Ending	$ 1,146,397	$ 1,258,354	$ 1,394,494	$ 126,522

BAYOU VERMILION DISTRICT

NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS) – GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 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.

BAYOU VERMILION DISTRICT

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2023

Year ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.069509%	$ 267,526	$ 471,537	56.7%	91.74%
2022	0.104470%	$ (492,099)	$ 700,919	-70.2%	110.46%
2021	0.130868%	$ (229,466)	$ 874,074	-26.3%	104.00%
2020	0.148025%	$ 6,968	$ 938,594	0.7%	99.89%
2019	0.082765%	$ 367,341	$ 448,041	82.0%	88.86%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

BAYOU VERMILION DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2023	$ 54,227	$ 54,227	$ -	$ 471,537	11.50%
2022	$ 85,863	$ 85,863	$ -	$ 700,919	12.25%
2021	$ 107,074	$ 107,074	$ -	$ 874,074	12.25%
2020	$ 107,938	$ 107,074	$ 864	$938,594	11.41%
2019	$ 51,525	$ 58,512	$ (6,987)	$448,041	13.06%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

BAYOU VERMILION DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 PENSION PLAN

Changes in Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line method of amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

COMPLIANCE

AND

INTERNAL CONTROL

DARNALL SIKES & FREDERICK
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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Lafayette, LA 70508

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OTHER LOCATIONS:
Eunice Morgan City Abbeville

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Commissioners
Bayou 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 the major funds of Bayou Vermilion District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Parish Communication District's internal control over financial reporting (internal control) as a basis for designing 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 Lafayette Parish Communication District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Communication 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
June 20, 2024

BAYOU VERMILION DISTRICT

SCHEDULE OF CORRECTIVE ACTION ON PRIOR YEAR FINDINGS
DECEMBER 31, 2023

No findings in the prior year.

BAYOU VERMILION DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

We have audited the financial statements of the Bayou Vermilion District as of and for the year ended December 31, 2023, and have issued our report thereon dated June 20, 2023. 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, 2023 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	☐ Yes	☑ No
Material Weaknesses	☑ Yes	☐ No

Compliance

Compliance Material to Financial Statements	☐ Yes	☑ No

b. Management Letter

Was a management letter issued?	☑ Yes	☐ No

Section II - Financial Statement Findings

2023-001 Inadequate Controls over Cyber Security and Electronic Cash Disbursements

Condition: In March of 2023, Vermilion District was a victim of theft through a business email compromise scam. The total amount of funds transferred as a result of this was $149,749. The District immediately reported this to all parties involved, the Louisiana Legislative Auditor, and numerous law enforcement agencies.

Criteria: An Organization should have cyber security policies and training in place to educate employees on how to prevent and detect fraud attempts via email from phishing and other scam tactics. In addition, an Organization should communicate verbally with vendors prior to sending electronic payments over a certain threshold.

Cause: The Organization did not have the proper cyber security and electronic disbursement authorization procedures in place to prevent or detect fraud.

Effect: The Organization risks financial loss due to fraud by not having properly trained staff and proper electronic disbursement authorization procedures in place.

Recommendation:
It is recommended that Organization implement procedures for internal and external financial-security, accounts-payable control and verification.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the fiscal year ending December 31, 2023.

BAYOU VERMILION DISTRICT
Where conservation is current.

MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023

Louisiana Legislative Auditor

The Bayou Vermilion District respectfully submits the following corrective action plan for the year ended December 31, 2023.

2023-001 Inadequate Controls over Cyber Security and Electronic Cash Disbursements

Fiscal Year Finding Initially Occurred: 2023

Recommendation:

It is recommended that the Organization implement procedures for internal and external financial security, accounts payable control and verification.

Management's Response:

Management is working to develop and implement controls over these areas. Upon discovery of the incident in early 2023, management ceased using electronic payment methods indefinitely. The Organization also recovered all funds compromised in this incident due to the quick discovery of the event and immediate action taken.

Management Letter

2023-001 ML - Old Outstanding Checks
Fiscal Year Finding Initially Occurred: 2020

Recommendation:

We recommend the management continue to research and resolve outstanding checks greater than one year on all bank accounts be reviewed annually and reissued or submitted in accordance with the unclaimed property laws of the state.

Management's Response:

We are working with our outside accounting firm to get this resolved.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Stephen Broussard, Executive Director at (337) 233-4077.

Sincerely,

Stephen Broussard
Executive Director
Bayou Vermilion District

300 Fisher Road / Lafayette, LA 70508
337.233.4077 phone / 337.233.1694 fax
BayouVermilionDistrict.org

BAYOU VERMILION DISTRICT
Lafayette, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2023

DARNALL SIKES
& FREDERICK

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management of
Bayou Vermilion District

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. Bayou Vermilion District's management is responsible for those control and compliance areas identified in the SAUPs.

Bayou Vermilion District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

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

ii. ***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.

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

iii. ***Disbursements***, including processing, reviewing, and approving.

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

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

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

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

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

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

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

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

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

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

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

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

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-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.*

No exceptions noted.

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

No exceptions noted.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Obtained the prior year audit report and observed that there were no audit findings.

3) Bank Reconciliations

A. Obtain a listing of entity 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 each selected account, and observe that:

Obtained listing of bank accounts from management and management's representation that the listing was complete.

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

No exceptions noted.

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Exception noted, the bank reconciliations are initials but not dated indicating review date.

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

Exception noted. There were two bank account reconciliations that have outstanding checks that are greater than one year with no indication that the checks have been researched.

4) Collections (excluding electronic funds transfers)

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

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

B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

Obtained listing of collection locations from management and management's representation that the listing was complete.

i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

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

No exceptions noted.

iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

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

No exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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.*

E. Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

<u>*No exceptions noted.*</u>

iii. Trace the deposit slip total to the actual deposit per the bank statement.

<u>*No exceptions noted.*</u>

iv. 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 and the cash is stored securely in a locked safe or drawer).

<u>*No exceptions noted.*</u>

v. Trace the actual deposit per the bank statement to the general ledger.

<u>*No exceptions noted.*</u>

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

A. 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).

<u>*Obtained listing of locations that process payments and management's representation that the listing was complete.*</u>

B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

<u>*No exceptions noted.*</u>

ii. At least two employees are involved in processing and approving payments to vendors;

<u>*No exceptions noted.*</u>

iii. 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;

<u>*No exceptions noted.*</u>

iv. 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; and

<u>*No exceptions noted.*</u>

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

<u>*No exceptions noted.*</u>

C. For each location selected under procedure #5A 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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Obtained listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing was complete.

B. 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

i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

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

No exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exception noted. One credit card charge had no supporting documentation attached.

7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

A. 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 and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained listing of travel and travel-related expense reimbursements and management's representation that the listing was complete.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted

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

No exceptions noted.

iii. 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 Policies and Procedures procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

8) Contracts

A. 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. *Alternatively, 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

Obtained listing of all contracts in effect and management's representation that the listing was complete.

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

No exceptions noted.

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

No exceptions noted.

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions noted.

iv. 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.

No exceptions noted.

9) Payroll and Personnel

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

Obtained listing of employees and management's representation that the listing was complete. Authorized salaries/pay rates traced to personnel files without exception.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

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

No exceptions noted.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions noted.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

No exceptions noted.

B. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted.

12) Fraud Notice

A. 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 as required by R.S. 24:523.

No exceptions noted.

B. 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.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected employees/officials from the Payroll and Personnel procedure at #9A, obtain cybersecurity training and documentation from management, and observe that the documentation demonstrates that the employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

No exceptions noted.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

   No exceptions noted.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

   Exception noted. The policy and complaint procedure is not on the website.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

   No exceptions noted.

   i. Number and percentage of public servants in the agency who have completed the training requirements;

   ii. Number of sexual harassment complaints received by the agency;

   iii. Number of complaints which resulted in a finding that sexual harassment occurred;

   iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

   v. Amount of time it took to resolve each complaint.

We were engaged by Bayou Vermilion District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bayou Vermilion District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
June 21, 2024

Where conservation is current.

June 25, 2024

Darnall,Sikes and Frederick
2000 Kaliste Saloom Rd., Suite 300
Lafayette, LA 70508

The following is Management's response to the 2023 agreed upon procedures report submitted.

BANK RECONCILIATIONS

3. ii) A member of the board or management currently reviews that bank reconciliations monthly and initials the document. Going forward a review date will be added to this process.

   iii) Management will continue researching long outstanding checks, greater than twelve months outstanding and determine the proper resolution for the items remaining unresolved.

CREDIT CARDS

6. C) The charge was for a recurring charge and management will enhance the policies of attaching all supporting documents to the credit card statements, including recurring charges for services.

SEXUAL HARRASSMENT

13. B) Management will take the necessary steps to have their policy and complaint procedures posted to the website.

If any additional information is needed, please contact me.

Stephen Broussard
Executive Director

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OTHER LOCATIONS:
Eunice Morgan City Abbeville

June 20, 2024

The Board of Commissioners of
Bayou Vermilion District
Lafayette, Louisiana

In planning and performing our audit of the financial statements of the Bayou Vermilion District as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

However, during our previous audit we became aware of a compliance matter that we brought to your attention and although there has been some improvement, the matter is still outstanding. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. We previously reported on the Organization's internal control in our report dated June 20, 2024. This letter does not affect our report dated June 20, 2024, on the financial statements of the Bayou Vermilion District.

We will review the status of this comment during our next audit engagement. We will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

MANAGEMENT LETTER

For Year Ended: December 31, 2023

2023-001 ML *OLD OUTSTANDING CHECKS (repeat comment)*

Criteria: In accordance with the Uniform Unclaimed Property Act (Louisiana Revised Statute 9:151-154), any outstanding checks greater than one year should be remitted to the Louisiana State Treasurer as unclaimed property.

Auditors' Comment: During our current year audit, we noted several bank accounts that have outstanding checks greater than one year. This issue has been noted in the prior year.

Cause: Unknown

Effect: The District is out of compliance with the statutes.

Auditors' Recommendation: We recommend the outstanding checks greater than one year on all bank accounts be reviewed annually and reissued or submitted in accordance with the unclaimed property laws of the state.

Management's Response: We will meet with our outside accounting firm to get this resolved.