

**LAFAYETTE PARISH BAYOU
VERMILION DISTRICT
LAFAYETTE, LOUISIANA
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District, a component unit of Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 2021, 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, and each major fund of the Lafayette Parish Bayou Vermilion District as of December 31, 2021, 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 on pages 43-48 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2022, on our consideration of the Lafayette Parish Bayou Vermilion District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Parish Bayou Vermilion District's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
July 10, 2022

BASIC FINANCIAL STATEMENTS

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash And Interest-Bearing Deposits | \$ 1,749,399 | \$ 377,796 | \$ 2,127,195 |
| Receivables, Net | 11,117 | 8,752 | 19,869 |
| Ad Valorem Tax Receivable | 161,915 | - | 161,915 |
| Due From Sheriff | 1,505,051 | - | 1,505,051 |
| Internal Balances | 149,554 | (149,554) | - |
| Prepaid Expenses | 64,000 | - | 64,000 |
| Inventory | - | 28,272 | 28,272 |
| Total Current Assets | 3,641,036 | 265,266 | 3,906,302 |
| Noncurrent Assets: | | | |
| Land | 146,000 | - | 146,000 |
| Capital Assets, Net | 2,954,923 | 600,234 | 3,555,157 |
| Net Pension Asset | 100,736 | 128,730 | 229,466 |
| Total Noncurrent Assets | 3,201,659 | 728,964 | 3,930,623 |
| Total Assets | \$ 6,842,695 | \$ 994,230 | \$ 7,836,925 |
| Deferred Outflows of: | | | |
| Deferred Outflows of Resources - Pension | \$ 120,829 | \$ 154,400 | \$ 275,229 |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|--------------|
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts And Other Payables | \$ 68,903 | \$ 31,820 | \$ 100,723 |
| Unearned Revenue | - | 7,100 | 7,100 |
| Grant Advance | 5,202 | - | 5,202 |
| Due to Foundation | - | 401 | 401 |
| Due To Other Governments | - | 3,098 | 3,098 |
| Bonds Payable | 155,000 | - | 155,000 |
| Accrued Interest | 27,398 | - | 27,398 |
| Total Current Liabilities | 256,503 | 42,419 | 298,922 |
| Noncurrent Liabilities: | | | |
| Accrued Compensated Absences | 24,834 | 11,630 | 36,464 |
| Bonds Payable, Net | 3,278,551 | - | 3,278,551 |
| Total Noncurrent Liabilities | 3,303,385 | 11,630 | 3,315,015 |
| Total Liabilities | 3,559,888 | 54,049 | 3,613,937 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Ad Valorem Taxes | 1,971,335 | - | 1,971,335 |
| Deferred Inflows of Resources - Pension | 217,531 | 277,983 | 495,514 |
| Total Deferred Inflow of Resources | 2,188,866 | 277,983 | 2,466,849 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 3,100,923 | 600,234 | 3,701,157 |
| Restricted for Capital Projects | 18,831 | - | 18,831 |
| Restricted For Debt Service | 734,412 | - | 734,412 |
| Unrestricted | (2,639,396) | 216,364 | (2,423,032) |
| Total Net Position | \$ 1,214,770 | \$ 816,598 | \$ 2,031,368 |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

| | 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 | \$ 1,149,594 | \$ - | \$ 105,789 | \$ (1,043,805) | \$ - | \$ (1,043,805) |
| Interest on Long-Term Debt | 76,066 | - | - | (76,066) | - | (76,066) |
| Total Governmental Activities | <u>1,225,660</u> | <u>-</u> | <u>105,789</u> | <u>(1,119,871)</u> | <u>-</u> | <u>(1,119,871)</u> |
| Business-Type Activities: | | | | | | |
| Vermilionville | 1,430,388 | 921,564 | - | - | (508,824) | (508,824) |
| Total Business-Type Activities | <u>1,430,388</u> | <u>921,564</u> | <u>-</u> | <u>-</u> | <u>(508,824)</u> | <u>(508,824)</u> |
| Total | <u>\$ 2,656,048</u> | <u>\$ 921,564</u> | <u>\$ 105,789</u> | <u>(1,119,871)</u> | <u>(508,824)</u> | <u>(1,628,695)</u> |
| General Revenues: | | | | | | |
| Taxes - | | | | | | |
| Property Taxes, Levied for General Purposes | | | | 1,943,346 | - | 1,943,346 |
| Interest and Investment Earnings | | | | 11,796 | - | 11,796 |
| Gain on Disposal of Fixed Assets | | | | 15,971 | - | 15,971 |
| Nonemployer Pension Contributions | | | | 4,830 | 6,172 | 11,002 |
| Miscellaneous | | | | 40,050 | 4,254 | 44,304 |
| Transfers | | | | (2,435,982) | 2,435,982 | - |
| Total General Revenues and Transfers | | | | <u>(419,989)</u> | <u>2,446,408</u> | <u>2,026,419</u> |
| Change in Net Position | | | | <u>(1,539,860)</u> | <u>1,937,584</u> | <u>397,724</u> |
| Net Position - January 1, 2021 | | | | 2,718,445 | (1,120,986) | 1,597,459 |
| Prior Period Adjustment | | | | 36,185 | - | - |
| Net Position - January 1, 2021, Restated | | | | <u>2,754,630</u> | <u>(1,120,986)</u> | <u>1,597,459</u> |
| Net Position - December 31, 2021 | | | | <u>\$ 1,214,770</u> | <u>\$ 816,598</u> | <u>\$ 1,995,183</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

| | General Fund | Debt Service | Capital Projects | Total |
|--|-----------------|-----------------|---------------------|-----------------|
| ASSETS | | | | |
| Cash And Interest-Bearing Deposits | \$ 970,758 | \$ 759,810 | \$ 18,831 | \$ 1,749,399 |
| Receivables - | | | | |
| Grants | 11,117 | - | - | 11,117 |
| Due From Sheriff | 1,335,886 | 169,165 | - | 1,505,051 |
| Due From Other Funds | 149,554 | - | - | 149,554 |
| Prepaid Expenses | 64,000 | - | - | 64,000 |
| Total Assets | \$2,531,315 | \$ 928,975 | \$ 18,831 | \$3,479,121 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 50,203 | \$ - | \$ - | \$ 50,203 |
| Accrued Expenses | 18,700 | - | - | 18,700 |
| Grant Advance | 5,202 | - | - | 5,202 |
| Total Current Liabilities | 74,105 | - | - | 74,105 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Ad Valorem Taxes | 1,605,963 | 203,457 | - | 1,809,420 |
| Total Deferred Inflow of Resources | 1,605,963 | 203,457 | - | 1,809,420 |
| FUND BALANCES | | | | |
| Fund Balances - | | | | |
| Nonspendable | 64,000 | - | - | 64,000 |
| Restricted | - | 725,518 | 18,831 | 744,349 |
| Unassigned | 787,247 | - | - | 787,247 |
| Total Fund Balances | 851,247 | 725,518 | 18,831 | 1,595,596 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$2,531,315 | \$ 928,975 | \$ 18,831 | \$3,479,121 |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021**

| | | |
|--|-----------------|---------------------|
| Total fund balances for governmental funds at December 31, 2021 | | \$ 1,595,596 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | |
| Land | \$ 146,000 | |
| Buildings, net of \$206,901 accumulated depreciation | 1,328,051 | |
| Site improvements, net of \$2,311,640 accumulated depreciation | 1,472,816 | |
| Equipment, net of \$817,120 accumulated depreciation | <u>154,056</u> | 3,100,923 |
| Long-term liabilities at December 31, 2021: | | |
| Accrued compensated absences | (24,834) | |
| Net pension liability (asset) | 100,736 | |
| Bonds payable | (3,395,000) | |
| Bond premium, net of \$14,016 accumulated amortization | (38,551) | |
| Accrued interest payable | <u>(27,398)</u> | (3,385,047) |
| Deferred Outflows of Resources Related to Net Pension Liability | | 120,829 |
| Deferred Inflows of Resources Related to Net Pension Liability | | <u>(217,531)</u> |
| Total net position of governmental activities at December 31, 2021 | | <u>\$ 1,214,770</u> |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

| | General Fund | Debt Service | Capital Projects | Total |
|---|-----------------|-----------------|---------------------|--------------|
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 1,724,708 | \$ 218,638 | \$ - | \$ 1,943,346 |
| Intergovernmental | 105,789 | - | - | 105,789 |
| Interest | 7,934 | 3,055 | 807 | 11,796 |
| Miscellaneous | 63,706 | 55 | - | 63,761 |
| Total Revenues | 1,902,137 | 221,748 | 807 | 2,124,692 |
| Expenditures: | | | | |
| Current - | | | | |
| General Government | 927,603 | 9,609 | 400 | 937,612 |
| Capital Outlay | 31,290 | - | 316,790 | 348,080 |
| Debt Service - | | | | |
| Principal Paid | - | 150,000 | - | 150,000 |
| Interest And Fiscal Charges | - | 77,694 | - | 77,694 |
| Total Expenditures | 958,893 | 237,303 | 317,190 | 1,513,386 |
| Excess (Deficiency) Of Revenues Over Expenditures | 943,244 | (15,555) | (316,383) | 611,306 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (2,435,982) | - | - | (2,435,982) |
| Total Other Financing Sources (Uses) | (2,435,982) | - | - | (2,435,982) |
| Excess (Deficiency) Of Revenues Over Expenditures And Other Uses | (1,492,738) | (15,555) | (316,383) | (1,824,676) |
| Fund Balances, Beginning | 2,307,800 | 741,073 | 335,214 | 3,384,087 |
| Prior Period Adjustment (See Note O) | 36,185 | - | - | 36,185 |
| Fund Balances, Restated | 2,343,985 | 741,073 | 335,214 | 3,420,272 |
| Fund Balances, Ending | \$ 851,247 | \$ 725,518 | \$ 18,831 | \$ 1,559,411 |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

| | | |
|--|------------------|-----------------------|
| Total net changes in fund balances at December 31, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances | | \$ (1,824,676) |
| 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 | \$ 302,283 | |
| Depreciation expense for the year ended December 31, 2021 | <u>(192,800)</u> | 109,483 |
| In the Statement of Activities, only the gain (loss) on sale or transfer of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference. | | |
| | | (7,740) |
| 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 | | 150,000 |
| 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 | | |
| | | (1,000) |
| 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 | 18,888 | |
| Nonemployer Pension Contribution Revenue Recognized | <u>4,830</u> | 23,718 |
| Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| | | <u>7,727</u> |
| Total changes in net position at December 31, 2021 per Statement of Activities | | <u>\$ (1,539,860)</u> |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021

ASSETS

Current Assets:

| | |
|------------------------------------|----------------|
| Cash And Interest-Bearing Deposits | \$ 377,796 |
| Accounts Receivable | 8,752 |
| Inventory | <u>28,272</u> |
| Total Current Assets | <u>414,820</u> |

Noncurrent Assets:

| | |
|--------------------------|----------------|
| Buildings | 3,405,063 |
| Equipment | 227,762 |
| Furniture And Fixtures | 93,120 |
| Leasehold Improvements | 1,499,523 |
| Artifacts | 182,729 |
| Accumulated Depreciation | (4,807,963) |
| Net Pension Asset | <u>128,730</u> |
| Total Noncurrent Assets | <u>728,964</u> |

Total Assets \$ 1,143,784

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|-------------------|
| Deferred Outflows of Resources - Pension | <u>154,400</u> |
| Total Deferred Outflows of Resources | <u>\$ 154,400</u> |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021

LIABILITIES

| | |
|---|-------------------|
| Current Liabilities: | |
| Accounts Payable | \$ 12,988 |
| Accrued Liabilities | 18,832 |
| Unearned Revenues | 7,100 |
| Due to Foundation | 401 |
| Due To Other Funds | 149,554 |
| Due To Other Governments | <u>3,098</u> |
| Total Current Liabilities | <u>191,973</u> |
| Noncurrent Liabilities: | |
| Accrued Compensated Absences | <u>11,630</u> |
| Total Noncurrent Liabilities | <u>11,630</u> |
| Total Liabilities | <u>\$ 203,603</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows of Resources - Pension | <u>277,983</u> |
| Total Deferred Inflows of Resources | <u>\$ 277,983</u> |

NET POSITION

| | |
|----------------------------------|-------------------|
| Net Investment in Capital Assets | 728,964 |
| Unrestricted | <u>87,634</u> |
| Total Net Position | <u>\$ 816,598</u> |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2021

| | |
|----------------------------------|--------------------|
| Operating Revenues: | |
| Charges, Fees And Sales - | |
| Gate Admission And Programs | \$ 117,881 |
| Hospitality | 332,376 |
| Gift Shop | 63,033 |
| Miscellaneous - | |
| Grants | 408,274 |
| Other | 4,254 |
| Total Operating Revenues | <u>925,818</u> |
| Operating Expenses: | |
| Hospitality | 448,060 |
| Gift Shop | 85,957 |
| Programming | 238,517 |
| Curator | 105,233 |
| Marketing | 7,208 |
| Maintenance | 134,169 |
| General And Administrative | 422,460 |
| Pension Expense | (12,349) |
| Depreciation | 1,133 |
| Total Operating Expenses | <u>1,430,388</u> |
| Operating Loss | (504,570) |
| Non-Operating Revenues: | |
| Nonemployer Pension Contribution | 6,172 |
| Other Financing Sources: | |
| Operating Transfers In | <u>2,435,982</u> |
| Net Loss | 1,937,584 |
| Net Position, Beginning | <u>(1,120,986)</u> |
| Net Position, Ending | <u>\$ 816,598</u> |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

| | |
|--|---------------------|
| Cash Flows From Operating Activities: | |
| Receipts From Customers | \$ 917,883 |
| Payments To Suppliers | (936,159) |
| Payments To Employees | <u>(500,200)</u> |
| Net Cash Used By Operating Activities | <u>(518,476)</u> |
| Cash Flows From Noncapital Financing Activities: | |
| Cash Received From Other Funds | |
| Cash Paid To Other Funds | (1,550,888) |
| Transfers From Other Funds | <u>2,435,982</u> |
| Net Cash Provided By Noncapital Financing Activities | <u>885,094</u> |
| Net Decrease In Cash And Cash Equivalents | 366,618 |
| Cash And Cash Equivalents, Beginning of Period | <u>11,178</u> |
| Cash And Cash Equivalents, End of Period | <u>\$ 377,796</u> |
| Reconciliation Of Operating Loss To Net Cash Used By Operating Activities: | |
| Operating Loss | \$ (504,570) |
| Adjustments To Reconcile Operating Loss To Net Cash Used By Operating Activities: | |
| Depreciation | 1,133 |
| Provision for Net Pension Liability, Net | (12,349) |
| Changes In Current Assets And Liabilities: | |
| Accounts Receivable | (8,575) |
| Inventory | 3,550 |
| Due To Other Governments | 1,690 |
| Accounts Payable | 8,230 |
| Accrued Expenses | 1,761 |
| Unearned Revenues | 640 |
| Accrued Compensated Absences | <u>(9,986)</u> |
| Net Cash Used By Operating Activities | <u>\$ (518,476)</u> |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Financial Statements

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

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

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

The major funds of the District are described below:

Governmental Funds:

General Fund

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

Capital Projects Fund

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

Debt Service Fund

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Proprietary Fund:

Enterprise Fund

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

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

Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting

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

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

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

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

Cash and Cash Equivalents

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

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

Interfund Receivables and Payables

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. All receivables are reported net of estimated uncollectible amounts. The allowance for doubtful accounts at December 31, 2021 was \$-0- in the enterprise fund.

Inventories

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

Capital Assets

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

Long-term Debt

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Governmental Fund Balance

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

- a. Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2021, by the District are nonspendable in form. The District has not reported any amounts that are legally or contractually required to be maintained intact.
- b. Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the District who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the District.
- d. Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District or his designee may assign amounts to this classification.
- e. Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

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

Operating Revenues and Expenses

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Expenditures/Expenses

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

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

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

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

Compensated Absences

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

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

Estimated accrued compensated absences resulting from unused vacation at the end of the fiscal year are recorded as long-term liabilities in the financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. This policy resulted in an accrual for compensated absences of \$24,834 for the general fund and \$11,630 for the proprietary fund at December 31, 2021.

Interfund Transfers

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

Budgets

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Prepaid Expenses

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

Use of Estimates

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

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.

(B) LEGAL COMPLIANCE - BUDGETS

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

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

(C) CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2021, the District has cash and interest-bearing deposits (book balances) totaling \$2,127,195.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(C) CASH AND INTEREST-BEARING DEPOSITS - continued

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2021, are secured as follows:

| | |
|--|--------------------|
| Bank Balances | <u>\$2,155,335</u> |
| Federal deposit insurance | \$ 250,000 |
| Pledged securities (Category 3) | <u>2,998,964</u> |
| Total federal insurance and pledged securities | <u>\$3,248,964</u> |

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

(D) RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

Receivables and due from other governmental units at December 31, 2021 of \$1,666,966 consist of the following:

| | Governmental Activities | Business-type Activities | Total |
|------------------|----------------------------|-----------------------------|--------------------|
| Ad valorem taxes | \$1,666,966 | \$ - | \$1,666,966 |
| Other | - | - | - |
| Totals | <u>\$1,666,966</u> | <u>\$ -</u> | <u>\$1,666,966</u> |

The balance in Due from Sheriff of \$1,505,051 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2021 but not yet been distributed to the District. The amounts reported as ad valorem tax receivable of \$161,915 represents ad valorem taxes collected by the Lafayette Parish Sheriff after December 31, 2021.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(E) AD VALOREM TAXES

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

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

For the year ended December 31, 2021, taxes were dedicated as follows:

| | |
|---------------------|------|
| General Maintenance | 0.79 |
| Debt Service | 0.10 |

For the year ended December 31, 2021, taxes were levied on property with assessed valuations totaling \$2,632,598,034, less homestead exemptions of \$417,641,096.

(F) ACCOUNTS AND OTHER PAYABLES

The accounts and other payables consisted of the following at December 31, 2021:

| | Governmental Activities | Business-type Activities | Total |
|-------------------|----------------------------|-----------------------------|------------|
| Accounts Payable | \$ 50,203 | \$ 12,988 | \$ 63,191 |
| Other Liabilities | 18,700 | 18,832 | 37,532 |
| Totals | \$ 68,903 | \$ 31,820 | \$ 100,723 |

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(G) CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 was as follows:

| | <u>Balance 01/01/2021</u> | <u>Additions</u> | <u>Transfers/ Deletions</u> | <u>Balance 12/31/2021</u> |
|---|-------------------------------|--------------------|---------------------------------|-------------------------------|
| Governmental Activities: | | | | |
| Capital Assets not being Depreciated: | | | | |
| Land | \$ 146,000 | \$ - | \$ - | \$ 146,000 |
| Construction In Progress | 927,181 | - | (927,181) | - |
| Other Capital Assets: | | | | |
| Buildings | 336,777 | 1,198,174 | - | 1,534,951 |
| Site Improvements | 3,784,456 | - | - | 3,784,456 |
| Equipment | <u>970,846</u> | <u>31,290</u> | <u>(30,960)</u> | <u>971,176</u> |
| Totals | <u>6,165,260</u> | <u>1,229,464</u> | <u>(958,141)</u> | <u>6,436,583</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | 190,560 | 16,340 | - | 206,900 |
| Site Improvements | 2,199,392 | 112,247 | - | 2,311,639 |
| Equipment | <u>776,128</u> | <u>64,213</u> | <u>(23,220)</u> | <u>817,121</u> |
| Total accumulated depreciation | <u>3,166,080</u> | <u>192,800</u> | <u>(23,220)</u> | <u>3,335,660</u> |
| Governmental Activities Capital Assets, net | <u>\$2,999,180</u> | <u>\$1,036,664</u> | <u>\$(934,921)</u> | <u>\$3,100,923</u> |
| 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 | - | - | 227,763 |
| Furniture and Fixtures | <u>93,120</u> | <u>-</u> | <u>-</u> | <u>93,120</u> |
| Totals | <u>5,225,469</u> | <u>-</u> | <u>-</u> | <u>5,225,469</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | 2,986,487 | 1,133 | - | 2,987,620 |
| Site Improvements | 1,499,523 | - | - | 1,499,523 |
| Equipment | 227,700 | - | - | 227,700 |
| Furniture and Fixtures | <u>93,120</u> | <u>-</u> | <u>-</u> | <u>93,120</u> |
| Total accumulated depreciation | <u>4,806,830</u> | <u>1,133</u> | <u>-</u> | <u>4,807,963</u> |
| Business Activities Capital Assets, net | <u>\$ 601,368</u> | <u>\$ (1,133)</u> | <u>\$ -</u> | <u>\$ 600,234</u> |

Depreciation expense for the governmental activities in the amount of \$192,800 was charged to the general government function. Depreciation expense for the business-type activities in the amount of \$1,133 was charged to Vermilionville.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(H) CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2021:

| | <u>Balance at</u> <u>12/31/20</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance at</u> <u>12/31/21</u> |
|-------------------------------|--------------------------------------|------------------|---------------------|--------------------------------------|
| Bonds Payable | \$ 3,545,000 | \$ - | \$ (150,000) | \$ 3,395,000 |
| Net Pension Liability (Asset) | 6,970 | - | (149,495) | (142,525) |
| Compensated Absences Payable | <u>54,177</u> | <u>-</u> | <u>(17,713)</u> | <u>36,464</u> |
| Total Long-Term Obligations | <u>\$ 3,606,147</u> | <u>\$ -</u> | <u>\$ (317,208)</u> | <u>\$ 3,288,939</u> |
| Current Portion | | | | <u>\$ 155,000</u> |

Long-term debt payable at December 31, 2021 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. | \$ 3,395,000 |
| Unamortized Bond Premium | <u>38,551</u> |
| Net General Obligation Bonds Outstanding | <u>\$ 3,433,551</u> |

The bonds are due as follows:

| <u>Year Ending</u> <u>December 31,</u> | <u>Principal</u> <u>Payments</u> | <u>Interest</u> <u>Payments</u> |
|---|-------------------------------------|------------------------------------|
| 2022 | \$ 155,000 | \$ 74,643 |
| 2023 | 165,000 | 71,444 |
| 2024 | 170,000 | 68,094 |
| 2025 | 180,000 | 64,594 |
| 2026 | 190,000 | 60,894 |
| 2027-2031 | 1,110,000 | 239,206 |
| 2032-2036 | <u>1,425,000</u> | <u>93,759</u> |
| Total | <u>\$ 3,395,000</u> | <u>\$ 672,634</u> |

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(I) LEASE AND INTERGOVERNMENTAL AGREEMENTS

1. 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, 2021.
2. 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.
3. Lafayette Parish 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. This lease has been renewed multiple times with the current lease being a 10-year lease commencing on January 1, 2021, through December 31, 2021, payable in monthly payments of \$713 with an annual CPI adjustment. Land rent expense in the amount of \$8,551 is included in the Enterprise Fund's statement of revenues and expenses for the year ended December 31, 2021.

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

| <u>Years Ended December 31,</u> | |
|---------------------------------|-------------------|
| 2022 | \$ 23,551 |
| 2023 | 23,551 |
| 2024 | 23,551 |
| 2025 | 23,551 |
| 2026 | 23,551 |
| 2027-2031 | 109,204 |
| 2032-2036 | 75,000 |
| 2037-2041 | 75,000 |
| 2042-2046 | 75,000 |
| 2047-2051 | 75,000 |
| 2052-2056 | 75,000 |
| 2057-2058 | 30,000 |
| | <u>\$ 608,408</u> |

(J) BOARD MEMBERS COMPENSATION

No per diem or other compensation was paid to the members of Lafayette Parish Bayou Vermilion District for the year ended December 31, 2021.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN

Plan Description

Beginning on April 1, 2018, all full-time employees of the Lafayette Parish Bayou Vermilion District participate in the Parochial Employees' Retirement System (PERS) of Louisiana – Plan A, a multiple-employer, cost-sharing public employee retirement plan that was established by the Louisiana Legislature as of January 1, 1953 by Act 205 of 1952. The PERS was revised by Act 765 of 1979, revised by Act 584 of 2006.

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

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

Eligibility Requirements

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

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN - continued

Survivor Benefits

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

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

Disability Benefits

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

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

Deferred Retirement Option Plan

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

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

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

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

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN - continued

The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Cost of Living Increases

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

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

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2020, the actually determined contribution rate was 11.11% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2020, was 12.25% for Plan A.

The total contributions for the years ended December 31, 2021, 2020, and 2019 were \$85,863, \$107,074, and \$107,938, respectively. As of December 31, 2021, the District has a pension contribution liability in the amount of \$37,390, included in accounts payable.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities.

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 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN - continued

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, 2021, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2021.

Actuarial Methods and Assumptions

The net pension liability (asset) 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 (asset) of the System's employers as of December 31, 2020, are as follows:

| | PLAN A |
|-----------------------------|-------------------------|
| Total Pension Liability | \$ 4,385,659,960 |
| Plan Fiduciary Net Position | 4,561,001,343 |
| Total Net Pension Liability | <u>\$ (175,341,383)</u> |

The District's allocation is 0.130868% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2020, are as follows:

| | |
|----------------------------------|--|
| Valuation Date | December 31, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 6.40%, net of investment expense, including inflation |
| Projected Salary Increases | 4.75% (2.30% Inflation) |
| Mortality Rates: | Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees Pub-2010 Public Retirement Plans Mortality Table for General Employees Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees |
| Expected Remaining Service Lives | 4 years for Plan A |
| 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. |

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN - continued

The discount rate used to measure the total pension liability (asset) 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 (asset).

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

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, 2020, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|------------------------------------|--------------------------------|---|
| Fixed Income | 33% | 0.86% |
| Equity | 51% | 3.36% |
| Alternatives | 14% | 0.67% |
| Real Assets | 2% | 0.11% |
| Totals | <u>100%</u> | <u>5.00%</u> |
| Inflation | | <u>2.00%</u> |
| Expected Arithmetic Nominal Return | | <u>7.00%</u> |

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 then 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN - continued

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.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability (asset) of the participating employers 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% | Current | 1% |
| | Decrease | Discount | Increase |
| | 5.40% | 6.50% | 7.40% |
| Net Pension Liability (Asset) | \$ 481,123 | \$ (229,466) | \$ (824,569) |

Change in Net Pension Liability:

The changes in the net pension liability (asset) for the year ended December 31, 2021, 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 (asset) 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 for Plan A in the amount of \$28,479 for the year ended December 31, 2021.

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 inflow of resources in the amounts of \$447,851 for Plan A for the year ended December 31, 2021.

Change in Assumptions:

The changes in 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 change in assumptions or other inputs resulted in deferred outflows of resources in the amount of \$75,074 for Plan A, for the year ended December 31, 2021.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability (asset) 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 a 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 change in proportion resulted in a deferred outflow of resources in the amount of \$38,144 for the year ended December 31, 2021.

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

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2020. 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.la.state.la.us.

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

At December 31, 2020, the District reported an asset of (\$229,466) for its proportionate share of the net pension liability/(asset), of which (\$100,736) and (\$128,730) was reported in the governmental activities and business-type activities, respectively.

The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability/(asset) 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, 2020, the District's proportion was 0.130868%, which was a decrease of .017157% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$54,634 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$348.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(K) DEFINED BENEFIT PENSION PLAN - continued

At December 31, 2021, 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 | \$ 24,526 | \$ 12,023 | \$ 31,341 | \$ 15,365 |
| Change in Assumptions | 32,957 | - | 42,117 | - |
| Change in Proportion and Differences Between the Employer's Proportionate Share of Contributions | 25,652 | 8,901 | 32,773 | 11,374 |
| Net Differences Between Projected and Actual Earnings on Plan Investments | - | 196,607 | - | 251,244 |
| Contributions Subsequent to the Measurement Date | <u>37,694</u> | <u>-</u> | <u>48,169</u> | <u>-</u> |
| Total | <u>\$ 120,829</u> | <u>\$ 217,531</u> | <u>\$ 154,400</u> | <u>\$ 277,983</u> |

Deferred outflows of resources of \$85,863 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 (Asset) in the year ended December 31, 2021.

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 | |
| <u>December 31,</u> | |
| 2021 | \$ (68,232) |
| 2022 | (15,266) |
| 2023 | (149,207) |
| 2024 | <u>(73,175)</u> |
| Total | <u>\$ (305,880)</u> |

(L) RISK MANAGEMENT

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

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

Compensation, benefits, and other payments paid to the Chief Executive Officer, David Chermie for the year ended December 31, 2021 amounted to \$63,998 in salaries, there were no other payments made.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(N) INTERFUND TRANSACTIONS

Interfund receivables and payables consisted of the following at December 31, 2021:

| | Interfund Receivables | Interfund Payables |
|-----------------|--------------------------|-----------------------|
| General Fund | \$ 149,554 | \$ - |
| Enterprise Fund | - | 149,554 |
| Total | \$ 149,554 | \$149,554 |

Operating transfers consisted of the following at December 31, 2021:

| | Operating Transfers In | Operating Transfers Out |
|-----------------|---------------------------|----------------------------|
| General Fund | \$ - | \$ 2,435,982 |
| Enterprise Fund | 2,435,982 | - |
| Total | \$ 2,435,982 | \$ 2,435,982 |

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.

(O) PRIOR PERIOD ADJUSTMENT

Beginning fund balance of the General Fund and beginning net position of the governmental activities of the District as of December 31, 2021 were restated for a prior period adjustment. The adjustment related to the recordation of prepaid insurance in the previous year. Fund balance and net position as of December 31, 2021 were restated \$36,185.

(P) SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 10, 2022, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2021**

| | 2021 | | | Variance - Favorable (Unfavorable) |
|---|---------------------|---------------------|--------------------|--|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 1,654,000 | \$ 1,723,910 | \$ 1,724,708 | \$ 798 |
| Intergovernmental | 110,000 | 103,830 | 105,789 | 1,959 |
| Interest | 20,300 | 3,850 | 7,934 | 4,084 |
| Miscellaneous | 28,000 | 47,000 | 63,706 | 16,706 |
| Total Revenues | <u>1,812,300</u> | <u>1,878,590</u> | <u>1,902,137</u> | <u>23,547</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General Government | 918,670 | 911,907 | 927,603 | (15,696) |
| Capital Outlay | 5,000 | 31,290 | 31,290 | - |
| Total Expenditures | <u>923,670</u> | <u>943,197</u> | <u>958,893</u> | <u>(15,696)</u> |
| Excess (Deficiency) Of Revenues Over Expenditures | <u>888,630</u> | <u>935,393</u> | <u>943,244</u> | <u>39,243</u> |
| Other Financing Uses: | | | | |
| Transfers Out | - | - | (2,435,982) | (2,435,982) |
| Total Other Financing Uses | <u>-</u> | <u>-</u> | <u>(2,435,982)</u> | <u>(2,435,982)</u> |
| Excess (Deficiency) Of Revenues Over Expenditures And Other Uses | <u>888,630</u> | <u>935,393</u> | <u>(1,492,738)</u> | <u>(2,396,739)</u> |
| Fund Balance, Beginning | <u>1,977,417</u> | <u>1,977,417</u> | <u>1,977,417</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 2,866,047</u> | <u>\$ 2,912,810</u> | <u>\$ 484,679</u> | <u>\$ (2,396,739)</u> |

LAFAYETTE PARISH 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, 2021**

A. BASIS OF ACCOUNTING

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2021**

| 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 |
|------------------------------|---|--|----------------------------------|--|--|
| 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

| <u>Year ended December 31,</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractual Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|------------------------------------|--|---|---|--|---|
| 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

(A) 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**

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

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Lafayette Parish Bayou Vermilion District's basic financial statements, and have issued our report thereon dated July 10, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish Bayou Vermilion District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
July 10, 2022

LAFAYETTE PARISH BAYOU VERMILION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

We have audited the financial statements of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2021, and have issued our report thereon dated July 10, 2022. 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, 2021 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 | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Material Weaknesses | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Compliance

| | | |
|---|------------------------------|--|
| Compliance Material to Financial Statements | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|---|------------------------------|--|

b. Management Letter

| | | |
|---------------------------------|---|-----------------------------|
| Was a management letter issued? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
|---------------------------------|---|-----------------------------|

Section II - Financial Statement Findings

Finding No. 2021-001 – Late Filing

Fiscal Year Finding Initially Occurred: 2021

Statement of Condition:

The District failed to comply with LA R.S. 24513, by not submitting audited financial statements to the Louisiana Legislative Auditor within six months after Fiscal year end.

Criteria:

The District should have procedures in place to monitor compliance with Louisiana State Statutes.

Cause of Condition:

The District did not have procedures in place to monitor compliance.

Effect of Condition:

The District failed to submit the audited financial statements as required, which is not in compliance with state law.

Recommendation:

The District should ensure compliance with LA R.S. 24:513 by implementing procedures to monitor all compliance requirements.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the fiscal year ending December 31, 2021.



**MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2021**

Where conservation is current.

The Lafayette Parish Bayou Vermilion District respectfully submits the following corrective action plan for the year ended December 31, 2021.

Finding No. 2021-001 – Late Filing

Fiscal Year Finding Initially Occurred: 2021

Recommendation:

The District should ensure compliance with LA R.S. 24:513 by implementing procedures to monitor all compliance requirements.

Management's Corrective Action Plan:

The District agrees with this finding. The District does have procedures in place to ensure submission of the audited financial statements in compliance with the requirements of Louisiana Revised Statute 24:513, however, due to a change in management during the audit period the submission was delayed.

Management Letter

2020-002 ML - Old Outstanding Checks

Fiscal Year Finding Initially Occurred: 2020

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

If the Louisiana Legislative Auditor has questions regarding this plan, please call Kim Fournet, Interim CEO at (337) 233-4077.

Sincerely,

Kim Fournet
Interim Chief Executive Officer
Lafayette Parish Bayou Vermilion District

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

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2021

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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, 2021, through December 31, 2021. Lafayette Parish Vermilion District's management is responsible for those control and compliance areas identified in the SAUPs.

The Lafayette Parish Bayou Vermilion District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating management's assertions about Lafayette Parish Vermilion District's compliance with certain laws, regulations, and best practices. Additionally, the Legislative Auditor, State of Louisiana, 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:

Written Policies and Procedures

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

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

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

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

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

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

- d) **Receipts**, 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.

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

- e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

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

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

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

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

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

- h) **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 address the functions noted above.

- i) **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 address the functions noted above.

- j) **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 address the functions noted above.

- k) **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 address the functions noted above.

- l) **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 address the functions noted above.

Board (or Finance Committee, if applicable)

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

No exceptions were found as a result of this procedure.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds and semi-annual budget to-actual, at a minimum, on all special revenue funds.

No exceptions were found as a result of this procedure.

- c) 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 were found as a result of this procedure.

Bank Reconciliations

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Two of the five accounts tested showed no evidence of management researching reconciling items that have been outstanding for more than twelve months.

Collections

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

Obtained a listing and management's representation that the listing is complete.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

6. 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 enforced during the fiscal period.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

One of the two deposits tested was not deposited within one business day.

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

No exceptions were found as a result of this procedure.

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

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

Obtained a listing and management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Obtained a listing and management's representation that the listing is complete.

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

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

legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Travel and Expense Reimbursement

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

Obtained a listing and management's representation that the listing is complete.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Contracts

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

Obtained a listing and management's representation that the listing is complete.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- c) 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Payroll and Personnel

16. 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 a listing and management's representation that the listing is complete.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- 18. 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure.

- 19. 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 were found as a result of this procedure.

Ethics (excluding nonprofits)

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

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

Four of five employees tested did not complete the one hour of required ethics training, during the fiscal period.

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

No exceptions were found as a result of this procedure.

Debt Service (excluding nonprofits)

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

No exceptions were found as a result of this procedure.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were found as a result of this procedure.

Fraud Notice

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

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

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

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report **“We performed the procedure and discussed the results with management.”**

- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

- c. 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.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.

Five of the five employees selected did not complete the required sexual harassment training,

27. 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).

The entity has not posted its sexual harassment policy and complaint procedure on its website.

28. 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 it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

The entity did not complete its sexual harassment report for the current fiscal period.

We were engaged by the Lafayette Parish 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. 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 management's financial records and compliance with applicable laws and regulations. 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.

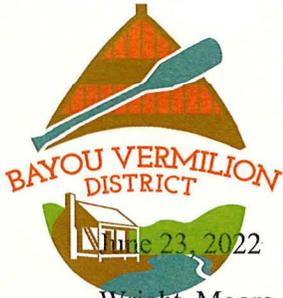
We are required to be independent of the Lafayette Parish Bayou Vermilion District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Lafayette Parish Bayou Vermilion District and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

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

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

Lafayette, Louisiana
June 23, 2022



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

The following is Management's response to the 2021 agreed upon procedures report submitted.

BANK RECONCILIATIONS

3. c) Management outsources the accounting function to a 3rd party and was not aware of these requirements. This will be addressed and corrected in current year.

DEPOSITS

7. d) Management will address to insure policies are followed concerning timeliness of deposits.

ETHICS

20. a) Management will implement procedures to insure that all staff adhere to the ethics requirements as it relates to annual training.

SEXUAL HARRASSMENT

26. Management will implement procedures to insure that all staff obtain the necessary annual training as required.
27. Management was not aware of the requirements for the Entity to have their policy posted to the website and will have this corrected as soon as possible.
28. Management was unaware of the annual reporting requirements as outlined in R.S. 42.344, but will implement policies to insure the reporting is done timely in the future.

If any additional information is needed, please contact me.

Kim Fournet
Interim CEO

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

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July 10, 2022

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** A LIMITED LIABILITY COMPANY



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

In planning and performing our audit of the financial statements of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2021, 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 comment and suggestion regarding this matter. We previously reported on the Organization's internal control in our report dated July 10, 2022. This letter does not affect our report dated July 10, 2022, on the financial statements of the Lafayette Parish 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.

Sincerely,

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

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

MANAGEMENT LETTER

For Year Ended: December 31, 2021

2020-2 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 Commission 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.