

**LAFAYETTE PARISH BAYOU
VERMILION DISTRICT
LAFAYETTE, LOUISIANA
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District, a component unit of Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used: (i) to avoid any penalties under the Internal Revenue Code; or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is indeed only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 34-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of the Lafayette Parish Bayou Vermilion District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Parish Bayou Vermilion District's internal control over financial reporting and compliance.

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

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

BASIC FINANCIAL STATEMENTS

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash And Interest-Bearing Deposits	\$4,092,022	\$ 409,485	\$4,501,507
Receivables, Net	125,912	240	126,152
Ad Valorem Tax Receivable	191,283	-	191,283
Due From Sheriff	1,849,963	-	1,849,963
Internal Balances	1,144,868	(1,144,868)	-
Prepaid Expenses	-	3,942	3,942
Inventory	-	32,322	32,322
Total Current Assets	7,404,048	(698,879)	6,705,169
Noncurrent Assets:			
Land	90,000	-	90,000
Capital Assets, Net	1,479,803	826,908	2,306,711
Total Noncurrent Assets	1,569,803	826,908	2,396,711
Total Assets	\$8,973,851	\$ 128,029	\$9,101,880

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts And Other Payables	\$ 44,760	\$ 19,858	\$ 64,618
Unearned Revenue	-	16,525	16,525
Grant Advance	5,202	-	5,202
Due To Other Governments	-	7,344	7,344
Bonds Payable	130,000	-	130,000
Accrued Interest	29,098	-	29,098
Total Current Liabilities	<u>209,060</u>	<u>43,727</u>	<u>252,787</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	31,013	17,448	48,461
Bonds Payable	3,820,000	-	3,820,000
Bond Premium, Net	49,063	-	49,063
Total Noncurrent Liabilities	<u>3,900,076</u>	<u>17,448</u>	<u>3,917,524</u>
Total Liabilities	<u>4,109,136</u>	<u>61,175</u>	<u>4,170,311</u>
DEFERRED INFLOWS OF RESOURCES			
Ad Valorem Taxes	<u>2,094,863</u>	-	<u>2,094,863</u>
Total Deferred Inflow of Resources	<u>2,094,863</u>	-	<u>2,094,863</u>
NET POSITION			
Net Investment in Capital Assets	1,569,803	826,908	2,396,711
Restricted for Capital Projects	3,138,595	-	3,138,595
Restricted For Debt Service	237,717	-	237,717
Unrestricted	<u>(2,176,263)</u>	<u>(760,054)</u>	<u>(2,936,317)</u>
Total Net Position	<u>\$2,769,852</u>	<u>\$ 66,854</u>	<u>\$2,836,706</u>

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:						
General Government	\$ 2,313,516	\$ -	\$ 271,996	\$ (2,041,520)	\$ -	\$ (2,041,520)
Interest on Long-Term Debt	84,914	-	-	(84,914)	-	(84,914)
Total Governmental Activities	<u>2,398,430</u>	<u>-</u>	<u>271,996</u>	<u>(2,126,434)</u>	<u>-</u>	<u>(2,126,434)</u>
Business-Type Activities:						
Vermilionville	<u>1,394,594</u>	<u>996,600</u>	<u>-</u>	<u>-</u>	<u>(397,994)</u>	<u>(397,994)</u>
Total Business-Type Activities	<u>1,394,594</u>	<u>996,600</u>	<u>-</u>	<u>-</u>	<u>(397,994)</u>	<u>(397,994)</u>
Total	<u>\$ 3,793,024</u>	<u>\$ 996,600</u>	<u>\$ 271,996</u>	<u>(2,126,434)</u>	<u>(397,994)</u>	<u>(2,524,428)</u>
General Revenues:						
Taxes -						
Property Taxes, Levied for General Purposes				2,036,545	-	2,036,545
Interest and Investment Earnings				43,767	-	43,767
Loss on Disposal of Fixed Assets				(4,935)	-	(4,935)
Miscellaneous				79,501	10,868	90,369
Transfers				<u>(60,011)</u>	<u>60,011</u>	<u>-</u>
Total General Revenues and Transfers				<u>2,094,867</u>	<u>70,879</u>	<u>2,165,746</u>
Change in Net Position				(31,567)	(327,115)	(358,682)
Net Position - January 1, 2017				<u>2,801,419</u>	<u>393,969</u>	<u>3,195,388</u>
Net Position - December 31, 2017				<u>\$ 2,769,852</u>	<u>\$ 66,854</u>	<u>\$ 2,836,706</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, 2017**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash And Interest-Bearing Deposits	\$ 642,831	\$ 266,815	\$ 3,182,376	\$ 4,092,022
Receivables -				
Grants	125,912	-	-	125,912
Due From Sheriff	1,508,125	341,838	-	1,849,963
Due From Other Funds	<u>1,180,959</u>	<u>-</u>	<u>-</u>	<u>1,180,959</u>
 Total Assets	 <u>\$3,457,827</u>	 <u>\$ 608,653</u>	 <u>\$3,182,376</u>	 <u>\$7,248,856</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 16,140	\$ -	\$ 7,690	\$ 23,830
Due To Other Funds	-	-	36,091	36,091
Accrued Expenses	20,930	-	-	20,930
Grant Advance	<u>5,202</u>	<u>-</u>	<u>-</u>	<u>5,202</u>
Total Current Liabilities	<u>42,272</u>	<u>-</u>	<u>43,781</u>	<u>86,053</u>
 DEFERRED INFLOWS OF RESOURCES				
Ad Valorem Taxes	<u>1,551,835</u>	<u>351,745</u>	<u>-</u>	<u>1,903,580</u>
Total Deferred Inflow of Resources	<u>1,551,835</u>	<u>351,745</u>	<u>-</u>	<u>1,903,580</u>
 FUND BALANCES				
Fund Balances -				
Restricted	-	256,908	3,138,595	3,395,503
Unassigned	<u>1,863,720</u>	<u>-</u>	<u>-</u>	<u>1,863,720</u>
Total Fund Balances	<u>1,863,720</u>	<u>256,908</u>	<u>3,138,595</u>	<u>5,259,223</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$3,457,827</u>	 <u>\$ 608,653</u>	 <u>\$3,182,376</u>	 <u>\$7,248,856</u>

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Total fund balances for governmental funds at December 31, 2017		\$ 5,259,223
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	\$ 90,000	
Buildings, net of \$138,672 accumulated depreciation	198,101	
Site improvements, net of \$1,905,147 accumulated depreciation	976,205	
Equipment, net of \$545,863 accumulated depreciation	<u>305,497</u>	1,569,803
Long-term liabilities at December 31, 2017:		
Accrued compensated absences	(31,013)	
Bonds payable	(3,950,000)	
Bond premium, net of \$864 accumulated amortization	(49,063)	
Accrued interest payable	<u>(29,098)</u>	<u>(4,059,174)</u>
Total net position of governmental activities at December 31, 2017		<u>\$ 2,769,852</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, 2017**

	General Fund	Debt Service	Capital Projects	Total
Revenues:				
Ad Valorem Taxes	\$ 1,660,292	\$ 376,253	\$ -	\$2,036,545
Intergovernmental	271,996	-	-	271,996
Interest	9,741	2,671	31,355	43,767
Miscellaneous	79,501	-	-	79,501
Total Revenues	2,021,530	378,924	31,355	2,431,809
Expenditures:				
Current -				
General Government	1,531,534	14,640	413,400	1,959,574
Capital Outlay	6,010	-	335,482	341,492
Debt Service -				
Principal Paid	-	50,000	-	50,000
Interest And Fiscal Charges	-	88,039	-	88,039
Total Expenditures	1,537,544	152,679	748,882	2,439,105
Excess (Deficiency) Of Revenues Over Expenditures	483,986	226,245	(717,527)	(7,296)
Other Financing Sources (Uses):				
Transfers Out	(60,011)	-	-	(60,011)
Total Other Financing Sources (Uses)	(60,011)	-	-	(60,011)
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	423,975	226,245	(717,527)	(67,307)
Fund Balances, Beginning	1,439,745	30,663	3,856,122	5,326,530
Fund Balances, Ending	\$ 1,863,720	\$ 256,908	\$3,138,595	\$5,259,223

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, 2017**

Total net changes in fund balances at December 31, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	(67,307)
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	\$ 168,907	
Depreciation expense for the year ended December 31, 2017	<u>(177,012)</u>	(8,105)
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.		
		(4,935)
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		50,000
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		
		497
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>(4,345)</u>
Total changes in net position at December 31, 2017 per Statement of Activities	\$	<u>(31,567)</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, 2017**

ASSETS

Current Assets:

Cash And Interest-Bearing Deposits	\$	409,485
Accounts Receivable		240
Prepaid Expenses		3,942
Inventory		<u>32,322</u>
Total Current Assets		<u>445,989</u>

Noncurrent Assets:

Buildings		3,405,063
Equipment		227,763
Furniture And Fixtures		93,120
Leasehold Improvements		1,499,523
Artifacts		182,729
Accumulated Depreciation		<u>(4,581,290)</u>
Total Noncurrent Assets		<u>826,908</u>
Total Assets	\$	<u>1,272,897</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$	7,228
Accrued Liabilities		12,630
Unearned Revenues		16,525
Due To Other Funds		1,144,868
Due To Other Governments		<u>7,344</u>
Total Current Liabilities		<u>1,188,595</u>

Noncurrent Liabilities:

Accrued Compensated Absences		<u>17,448</u>
Total Noncurrent Liabilities		<u>17,448</u>
Total Liabilities	\$	<u>1,206,043</u>

NET POSITION

Net Investment in Capital Assets		826,908
Unrestricted		<u>(760,054)</u>
Total Net Position	\$	<u>66,854</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, 2017**

Operating Revenues:	
Charges, Fees And Sales -	
Gate Admission And Programs	\$ 260,427
Memberships	14,013
Restaurant And Special Events	604,983
Gift Shop	117,177
Miscellaneous -	
Interest Income	21
Other	<u>10,847</u>
Total Operating Revenues	<u>1,007,468</u>
Operating Expenses:	
Restaurant	598,056
Gift Shop	141,030
Programming	415,874
General And Administrative	139,771
Depreciation	<u>99,863</u>
Total Operating Expenses	<u>1,394,594</u>
Operating Loss	(387,126)
Other Financing Sources:	
Operating Transfers In	<u>60,011</u>
Net Loss	(327,115)
Net Position, Beginning	<u>393,969</u>
Net Position, Ending	<u>\$ 66,854</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, 2017**

Cash Flows From Operating Activities:	
Receipts From Customers	\$ 1,007,076
Payments To Suppliers	(778,370)
Payments To Employees	<u>(519,865)</u>
Net Cash Used By Operating Activities	<u>(291,159)</u>
Cash Flows From Noncapital Financing Activities:	
Cash Received From Other Funds	243,971
Transfers From Other Funds	<u>60,011</u>
Net Cash Provided By Noncapital Financing Activities	<u>303,982</u>
Net Increase In Cash And Cash Equivalents	12,823
Cash And Cash Equivalents, Beginning of Period	<u>396,662</u>
Cash And Cash Equivalents, End of Period	<u>\$ 409,485</u>
Reconciliation Of Operating Loss To Net Cash Used By Operating Activities:	
Operating Loss	\$ (387,126)
Adjustments To Reconcile Operating Loss To Net Cash Used By Operating Activities:	
Depreciation	99,863
Changes In Current Assets And Liabilities:	
Accounts Receivable	(240)
Inventory	1,386
Prepaid Insurance	(3,942)
Due To Other Governments	2,220
Accounts Payable	(5,311)
Accrued Expenses	(3,269)
Unearned Revenues	(152)
Accrued Compensated Absences	<u>5,412</u>
Net Cash Used By Operating Activities	<u>\$ (291,159)</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, 2017

(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, 2017**

(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).

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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

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, 2017**

(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, 2017**

(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, 2017 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, 2017**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

Long-term Debt

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

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

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

Government-wide and Proprietary Fund Net Position

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(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, 2017, 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, 2017**

(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 \$31,013 for the general fund and \$17,448 for the proprietary fund at December 31, 2017.

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, 2017**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Prepaid Expenses

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

Use of Estimates

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

(B) LEGAL COMPLIANCE - BUDGETS

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

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

(C) CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the District has cash and interest-bearing deposits (book balances) totaling \$4,501,507.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(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, 2017, are secured as follows:

Bank Balances	<u>\$4,551,070</u>
Federal deposit insurance	\$ 250,000
Pledged securities (Category 3)	<u>5,292,065</u>
Total federal insurance and pledged securities	<u>\$5,542,065</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, 2017 of \$2,167,398 consist of the following:

	Governmental Activities	Business-type Activities	Total
Ad valorem taxes	\$2,041,246	\$ -	\$2,041,246
Other	<u>125,912</u>	<u>240</u>	<u>126,152</u>
Totals	<u>\$2,167,158</u>	<u>\$ 240</u>	<u>\$2,167,398</u>

The balance in Due from Sheriff of \$1,849,963 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2017 but not yet been distributed to the District. The amounts reported as ad valorem tax receivable of \$191,283 represents ad valorem taxes collected by the Lafayette Parish Sheriff after December 31, 2017.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(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, 2017, taxes were dedicated as follows:

General Maintenance	0.75
Debt Service	0.17

For the year ended December 31, 2017, taxes were levied on property with assessed valuations totaling \$2,665,288,645, less homestead exemptions of \$388,335,004.

(F) ACCOUNTS AND OTHER PAYABLES

The accounts and other payables consisted of the following at December 31, 2017:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts Payable	\$ 23,830	\$ 7,228	\$ 31,058
Other Liabilities	<u>20,930</u>	<u>12,630</u>	<u>33,560</u>
Totals	<u>\$ 44,760</u>	<u>\$ 19,858</u>	<u>\$ 64,618</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(G) CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	Balance 01/01/2017	Additions	Transfers/ Deletions	Balance 12/31/2017
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 90,000	\$ -	\$ -	\$ 90,000
Construction in Progress	<u>92,314</u>	<u>-</u>	<u>(92,314)</u>	<u>-</u>
Total	<u>182,314</u>	<u>-</u>	<u>(92,314)</u>	<u>90,000</u>
Other Capital Assets:				
Buildings	274,309	62,467	-	336,776
Site Improvements	2,881,351	-	-	2,881,351
Equipment	<u>838,037</u>	<u>198,754</u>	<u>(188,333)</u>	<u>848,458</u>
Totals	<u>3,993,697</u>	<u>261,221</u>	<u>(183,333)</u>	<u>4,066,585</u>
Less Accumulated Depreciation:				
Buildings	125,562	13,113	-	138,675
Site Improvements	1,803,469	101,677	-	1,905,146
Equipment	<u>664,137</u>	<u>62,222</u>	<u>(183,398)</u>	<u>542,961</u>
Total accumulated depreciation	<u>2,593,168</u>	<u>177,012</u>	<u>(183,398)</u>	<u>2,586,782</u>
Governmental Activities Capital Assets, net	<u>\$1,582,843</u>	<u>\$ 84,209</u>	<u>\$(97,249)</u>	<u>\$1,569,803</u>
Business-type Activities:				
Capital Assets not being Depreciated:				
Artifacts	<u>\$ 182,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,729</u>
Other Capital Assets:				
Buildings	3,405,063	-	-	3,405,063
Site Improvements	1,499,523	-	-	1,499,523
Equipment	319,814	-	(92,051)	227,763
Furniture and Fixtures	<u>93,120</u>	<u>-</u>	<u>-</u>	<u>93,120</u>
Totals	<u>5,317,520</u>	<u>-</u>	<u>(92,051)</u>	<u>5,225,469</u>
Less Accumulated Depreciation:				
Buildings	2,661,084	99,863	(92,051)	2,668,896
Site Improvements	1,499,523	-	-	1,499,523
Equipment	319,751	-	-	319,751
Furniture and Fixtures	<u>93,120</u>	<u>-</u>	<u>-</u>	<u>93,120</u>
Total accumulated depreciation	<u>4,573,478</u>	<u>99,863</u>	<u>(92,051)</u>	<u>4,581,290</u>
Business Activities Capital Assets, net	<u>\$ 926,771</u>	<u>\$(99,863)</u>	<u>\$ -</u>	<u>\$ 826,908</u>

Depreciation expense for the governmental activities in the amount of \$179,914 was charged to the general government function. Depreciation expense for the business-type activities in the amount of \$99,863 was charged to Vermilionville.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(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, 2017:

	<u>Balance at 12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 12/31/17</u>
Bonds Payable	\$ 4,000,000	\$ -	\$ (50,000)	\$ 3,950,000
Compensated Absences Payable	<u>38,704</u>	<u>9,757</u>	<u>-</u>	<u>48,461</u>
Total Long-Term Obligations	<u>\$ 4,038,04</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ 3,998,461</u>
Current Portion				<u>\$ 130,000</u>

Long-term debt payable at December 31, 2017 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. \$ 3,950,000

The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2018	\$ 130,000	\$ 85,994
2019	135,000	83,344
2020	140,000	80,594
2021	150,000	77,694
2022	155,000	74,643
2023-2027	905,000	322,019
2028-2032	1,165,000	214,387
2033-2036	<u>1,170,000</u>	<u>61,584</u>
Total	<u>\$ 3,950,000</u>	<u>\$1,000,259</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(I) LEASE AND INTERGOVERNMENTAL AGREEMENTS

- A. The District entered into a lease agreement with the City of Lafayette, the Parish of Lafayette, and the Lafayette Airport Commission for Beaver Park property for the construction and operation of the Vermilionville Project. The lease commenced on August 17, 1987 with monthly payments of \$100 due on the first day of each month, with an annual CPI adjustment option, current monthly payments are \$1,250. The lease shall extend for a time period of seventy-one years. Property lease expenditure in the amount of \$15,000 is included in the General Fund's statement of revenues and expenditures for the year ended December 31, 2017.
- B. The District entered into an intergovernmental agreement with the State of Louisiana Department of Transportation and Development on August 4, 1987 to use the land and airspace of the Interstate Route I-10 over the Vermilion River between Louisiana Avenue and Calais Road for the purpose of constructing, operating, and maintaining a public boat launch.
- C. Lafayette Parish Bayou Vermilion District and Lafayette Airport Commission entered into an agreement on April 5, 1989 for the Beaver Park property for a period of 20 years with monthly lease payments of \$550 on the first day of the month following the opening of the Vermilionville Project. The lease was renewed on April 5, 2009 for an additional ten years with a monthly lease payment of \$412 and with an annual CPI adjustment. Land rent expense in the amount of \$4,934 is included in the Enterprise Fund's statement of revenues and expenses for the year ended December 31, 2017.

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

<u>Years Ended December 31,</u>	
2018	\$19,901
2019	16,634
2020	15,000
2021	15,000
2022	15,000
2023-2027	75,000
2028-2032	75,000
2033-2037	75,000
2038-2042	75,000
2043-2047	75,000
2048-2052	75,000
2053-2057	75,000
2058	15,000
	<u>\$621,535</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, 2017.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(K) RETIREMENT COMMITMENTS

All employees of the Lafayette Parish Bayou Vermilion District are members of the Social Security System. The District and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the District; 7.65 percent by the employee). The District's contribution during the year ended December 31, 2017 amounted to \$95,126.

(L) RISK MANAGEMENT

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

(M) INTERFUND TRANSACTIONS

1. Receivables and Payables

Interfund receivables and payables consisted of the following at December 31, 2017:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,180,959	\$ -
Capital Projects Fund	-	36,091
Enterprise Fund	-	1,144,868
Total	\$ 1,180,959	\$ 1,180,959

2. Operating transfers

Operating transfers consisted of the following at December 31, 2017:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ -	\$ 60,011
Enterprise Fund	60,011	-
Total	\$ 60,011	\$ 60,011

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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(N) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises under an accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, ad valorem taxes, is reported as deferred inflows.

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

A detail of compensation, benefits, and other payments paid to the Chief Executive Officer, David Cheramie for the year ended December 31, 2017:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 69,635

(P) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 25, 2018, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2017**

	2017			Variance - Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ 1,499,000	\$ 1,660,000	\$ 1,660,292	\$ 292
Intergovernmental	44,550	45,685	271,996	226,311
Interest	8,000	7,065	9,741	2,676
Miscellaneous	85,000	132,025	79,501	(52,524)
Total Revenues	<u>1,636,550</u>	<u>1,844,775</u>	<u>2,021,530</u>	<u>176,755</u>
Expenditures:				
Current -				
General Government	1,533,285	1,562,561	1,531,534	31,027
Capital Outlay	8,000	6,965	6,010	955
Total Expenditures	<u>1,541,285</u>	<u>1,569,526</u>	<u>1,537,544</u>	<u>31,982</u>
Excess Of Revenues Over Expenditures	<u>95,265</u>	<u>275,249</u>	<u>483,986</u>	<u>144,773</u>
Other Financing Uses:				
Transfers Out	-	-	(60,011)	(60,011)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(60,011)</u>	<u>(60,011)</u>
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	95,265	275,249	423,975	84,762
Fund Balance, Beginning	<u>1,439,745</u>	<u>1,439,745</u>	<u>1,439,745</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,535,010</u>	<u>\$ 1,714,994</u>	<u>\$ 1,863,720</u>	<u>\$ 84,762</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017**

A. BASIS OF ACCOUNTING

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

**COMPLIANCE
AND
INTERNAL CONTROL**

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

Certified Public Accountants
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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

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA, CFP *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
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CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, DABFA**

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** A LIMITED LIABILITY COMPANY



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TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

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, 2017, and the related notes to the financial statements, which collectively comprise Lafayette Parish Bayou Vermilion District's basic financial statements, and have issued our report thereon dated June 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lafayette Parish Bayou Vermilion District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Bayou Vermilion District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish Bayou Vermilion District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
June 25, 2018

LAFAYETTE PARISH BAYOU VERMILION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2017

We have audited the financial statements of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2017, and have issued our report thereon dated June 25, 2018. 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, 2017 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
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b. Management Letter

Was a management letter issued?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the fiscal year ending December 31, 2017.



MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017

Louisiana Legislative Auditor

The Lafayette Parish Bayou Vermilion District respectfully submits the following corrective action plan for the year ended December 31, 2017.
Where conservation is current.

Management Letter

2017-1 ML INVENTORY COSTS

Auditors' Comment: During our audit of inventory, we noticed that several of the inventory items did not have a cost.

Auditors' Recommendation: We recommend that the District enter the item cost as new items are added into the inventory system.

Management's Response: We will put procedures in place to insure this situation does not occur again.

If the Louisiana Legislative Auditor has questions regarding this plan, please call David Cheramie, Chief Executive Officer at (337) 233-4077.

Sincerely,

David Cheramie, Ph.D.
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, 2017

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of Lafayette Parish Bayou Vermilion District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Lafayette Parish Bayou Vermilion District's compliance with certain laws, regulations and best practices during the year ended December 31, 2017. Management of Lafayette Parish Bayou Vermilion District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

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

Written policies and procedures were obtained however it does not address all of the functions noted above.

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

There were no written policies and procedures noted.

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used: (i) to avoid any penalties under the Internal Revenue Code; or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is indeed only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

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

There were no written policies and procedures noted.

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

There were no written policies and procedures noted.

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

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

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

There were no written policies and procedures noted.

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

There were no written policies and procedures noted.

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

There were no written policies and procedures noted.

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

There were no written policies and procedures noted.

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

There were no written policies and procedures noted.

Board (or Finance Committee, if applicable)

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

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

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

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not discuss financial statements and operating results.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

There was no deficit spending noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.)

Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.

Bank Reconciliations

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

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

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

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

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

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

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

There were no written policies and procedures, inquiry procedures were performed. It was noted cash registers were shared between employees. This was addressed and corrected.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and address the functions noted above.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collection documentation was obtained and address the functions noted above. It is the entity's policy to make deposits within ten days. No exceptions noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Collection documentation was obtained and address the functions noted above.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

There were no written policies and procedures noted.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using the proper approval process.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of all purchases.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Examined supporting documentation for each of the 25 disbursements and found all payments were processed with proper approval, receiving report and approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

There were no written policies and procedures noted.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

There were no written policies and procedures noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Checks are kept in a locked location with restricted access.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

This step is N/A.

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

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

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

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Listing was obtained and randomly selected 3 cards.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Monthly statements were obtained and address the functions noted above. It was noted that out of 65 transactions, 21 had no supporting documentation.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed on sample selected.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

It was noted that out of 65 transactions, 21 had no supporting documentation.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

It was noted that out of 65 transactions, 21 had no supporting documentation.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Not applicable.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted on items with supporting documentation.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted on items with documentation.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No amounts listed exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance with written policy.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

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

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

None were subject to Louisiana Public Bid Law.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

This section is not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No contracts were amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No noncompliance noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No noncompliance noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials (*We selected 15 employees*) 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.)

Three exceptions were noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Three exceptions were noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Three exceptions were noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

This section is not applicable. There were no terminations during the year under audit.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

No ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No ethics violation were reported.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

This is not applicable. No debt issued during the year under audit.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

No exceptions noted.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

No exceptions noted.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation 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.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notices were posted on the entity's premises however a notice was not posted on the website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

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

Lafayette, Louisiana
June 25, 2017



June 25, 2018

Where conservation is current.

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

The following is Management's response to the 2017 AUP report submitted.

WRITTEN POLICIES AND PROCEDURES

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

BOARD

2. b) Management will work toward including budget-to-actual comparisons in the minutes.

BANK RECONCILIATIONS

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

COLLECTIONS

- 6 a) Management has resolved the issue.
7. Management will work toward writing a formal written policy.

DISBURSEMENTS

10. Management will work toward writing a formal written policy.
11. Management will work toward writing a formal written policy.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

15. a) Management will work toward implementing policies to retain supporting documentation for all transactions.

16 a) Management will work toward implementing policies to retain supporting documentation for all transactions.

PAYROLL

23. Management will work towards documenting and retaining the daily leave reports for all employees with the proper supervisory approval.

ETHICS

26. Management will work toward implementing ethics training for all employees.

OTHER

32. Management will work toward updating the website to include the required notices.

If any additional information is needed, please contact me.

A handwritten signature in black ink, appearing to read "David Cheramie". The signature is fluid and cursive, with a large initial "D" and "C".

David Cheramie
Executive Director