

**LAFAYETTE PARISH BAYOU
VERMILION DISTRICT**

LAFAYETTE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Lafayette Parish Bayou Vermilion District as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 37-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021, 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, 2020

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash And Interest-Bearing Deposits	\$2,038,392	\$ 11,178	\$2,049,570
Receivables, Net	9,598	177	9,775
Ad Valorem Tax Receivable	189,068	-	189,068
Due From Sheriff	1,688,360	-	1,688,360
Internal Balances	1,700,442	(1,700,442)	-
Prepaid Expenses	16,182	-	16,182
Inventory	-	31,822	31,822
Total Current Assets	<u>5,642,042</u>	<u>(1,657,265)</u>	<u>3,984,777</u>
Noncurrent Assets:			
Land	146,000	-	146,000
Construction In Progress	927,181	-	927,181
Capital Assets, Net	<u>1,925,999</u>	<u>601,368</u>	<u>2,527,367</u>
Total Noncurrent Assets	<u>2,999,180</u>	<u>601,368</u>	<u>3,600,548</u>
Total Assets	<u>\$8,641,222</u>	<u>\$ (1,055,897)</u>	<u>\$7,585,325</u>
Deferred Outflows of:			
Deferred Outflows of Resources - Pension	<u>\$ 177,130</u>	<u>\$ 120,367</u>	<u>\$ 297,497</u>

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts And Other Payables	\$ 293,001	\$ 21,830	\$ 314,831
Unearned Revenue	-	6,460	6,460
Grant Advance	5,202	-	5,202
Due to Foundation	-	401	401
Due To Other Governments	-	1,408	1,408
Bonds Payable	150,000	-	150,000
Accrued Interest	26,398	-	26,398
Total Current Liabilities	474,601	30,099	504,700
Noncurrent Liabilities:			
Accrued Compensated Absences	32,561	21,616	54,177
Net Pension Liability	4,151	2,819	6,970
Bonds Payable, Net	3,436,179	-	3,436,179
Total Noncurrent Liabilities	3,472,891	24,435	3,497,326
Total Liabilities	3,947,492	54,534	4,002,026
DEFERRED INFLOWS OF RESOURCES			
Ad Valorem Taxes	1,959,752	-	1,959,752
Deferred Inflows of Resources - Pension	192,663	130,922	323,585
Total Deferred Inflow of Resources	2,152,415	130,922	2,283,337
NET POSITION			
Net Investment in Capital Assets	2,071,999	601,368	2,673,367
Restricted for Capital Projects	335,214	-	335,214
Restricted For Debt Service	723,939	-	723,939
Unrestricted	(412,707)	(1,722,354)	(2,135,061)
Total Net Position	\$2,718,445	\$ (1,120,986)	\$1,597,459

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, 2020

	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$ 1,843,721	\$ -	\$ 84,970	\$ (1,758,751)	\$ -	\$ (1,758,751)
Interest on Long-Term Debt	77,033	-	-	(77,033)	-	(77,033)
Total Governmental Activities	<u>1,920,754</u>	<u>-</u>	<u>84,970</u>	<u>(1,835,784)</u>	<u>-</u>	<u>(1,835,784)</u>
Business-Type Activities:						
Vermilionville	<u>977,163</u>	<u>334,663</u>	<u>-</u>	<u>-</u>	<u>(642,500)</u>	<u>(642,500)</u>
Total Business-Type Activities	<u>977,163</u>	<u>334,663</u>	<u>-</u>	<u>-</u>	<u>(642,500)</u>	<u>(642,500)</u>
Total	<u>\$ 2,897,917</u>	<u>\$ 334,663</u>	<u>\$ 84,970</u>	<u>(1,835,784)</u>	<u>(642,500)</u>	<u>(2,478,284)</u>
General Revenues:						
Taxes -						
Property Taxes, Levied for General Purposes				2,102,343	-	2,102,343
Interest and Investment Earnings				30,182	-	30,182
Nonemployer Pension Contributions				7,132	4,847	11,979
Miscellaneous				24,795	9,544	34,339
Transfers				<u>(384,403)</u>	<u>384,403</u>	<u>-</u>
Total General Revenues and Transfers				<u>1,780,049</u>	<u>398,794</u>	<u>2,178,843</u>
Change in Net Position				<u>(55,735)</u>	<u>(243,706)</u>	<u>(299,441)</u>
Net Position - January 1, 2020				2,774,180	(877,280)	1,896,900
Net Position - December 31, 2020				<u>\$ 2,718,445</u>	<u>\$ (1,120,986)</u>	<u>\$ 1,597,459</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, 2020**

	General Fund	Debt Service	Capital Projects	Total
ASSETS				
Cash And Interest-Bearing Deposits	\$ 708,516	\$ 750,337	\$ 579,539	\$2,038,392
Receivables -				
Grants	9,598	-	-	9,598
Due From Sheriff	1,498,660	189,700	-	1,688,360
Due From Other Funds	1,700,442	-	-	1,700,442
Prepaid Expenses	<u>16,182</u>	<u>-</u>	<u>-</u>	<u>16,182</u>
 Total Assets	 <u>\$3,933,398</u>	 <u>\$ 940,037</u>	 <u>\$ 579,539</u>	 <u>\$5,452,974</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 20,050	\$ -	\$ 198,529	\$ 218,579
Accrued Expenses	28,626	-	-	28,626
Retainage Payable	-	-	45,796	45,796
Grant Advance	<u>5,202</u>	<u>-</u>	<u>-</u>	<u>5,202</u>
Total Current Liabilities	<u>53,878</u>	<u>-</u>	<u>244,325</u>	<u>298,203</u>
DEFERRED INFLOWS OF RESOURCES				
Ad Valorem Taxes	<u>1,571,720</u>	<u>198,964</u>	<u>-</u>	<u>1,770,684</u>
Total Deferred Inflow of Resources	<u>1,571,720</u>	<u>198,964</u>	<u>-</u>	<u>1,770,684</u>
FUND BALANCES				
Fund Balances -				
Restricted	-	741,073	335,214	1,076,287
Unassigned	<u>2,307,800</u>	<u>-</u>	<u>-</u>	<u>2,307,800</u>
Total Fund Balances	<u>2,307,800</u>	<u>741,073</u>	<u>335,214</u>	<u>3,384,087</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$3,933,398</u>	 <u>\$ 940,037</u>	 <u>\$ 579,539</u>	 <u>\$5,452,974</u>

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Total fund balances for governmental funds at December 31, 2020		\$ 3,384,087
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 146,000	
Construction in progress	927,181	
Buildings, net of \$190,561 accumulated depreciation	146,217	
Site improvements, net of \$2,199,393 accumulated depreciation	1,585,063	
Equipment, net of \$775,927 accumulated depreciation	194,719	2,999,180
Long-term liabilities at December 31, 2020:		
Accrued compensated absences	(32,561)	
Net pension liability (asset)	(4,151)	
Bonds payable	(3,545,000)	
Bond premium, net of \$11,389 accumulated amortization	(41,179)	
Accrued interest payable	(26,398)	(3,649,289)
Deferred Outflows of Resources Related to Net Pension Liability		177,130
Deferred Inflows of Resources Related to Net Pension Liability		(192,663)
Total net position of governmental activities at December 31, 2020		\$ 2,718,445

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, 2020**

	General Fund	Debt Service	Capital Projects	Total
Revenues:				
Ad Valorem Taxes	\$ 1,715,660	\$ 386,683	\$ -	\$2,102,343
Intergovernmental	84,970	-	-	84,970
Interest	15,417	6,241	8,524	30,182
Miscellaneous	24,795	-	-	24,795
Total Revenues	1,840,842	392,924	8,524	2,242,290
Expenditures:				
Current -				
General Government	1,581,448	9,539	13,338	1,604,325
Capital Outlay	-	-	927,181	927,181
Debt Service -				
Principal Paid	-	140,000	-	140,000
Interest And Fiscal Charges	-	80,594	-	80,594
Total Expenditures	1,581,448	230,133	940,519	2,752,100
Excess (Deficiency) Of Revenues Over Expenditures	259,394	162,791	(931,995)	(509,810)
Other Financing Sources (Uses):				
Transfers Out	(384,403)	-	-	(384,403)
Total Other Financing Sources (Uses)	(384,403)	-	-	(384,403)
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	(125,009)	162,791	(931,995)	(894,213)
Fund Balances, Beginning	2,432,809	578,282	1,267,209	4,278,300
Fund Balances, Ending	\$ 2,307,800	\$ 741,073	\$ 335,214	\$3,384,087

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, 2020**

Total net changes in fund balances at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	(894,213)
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 927,181		
Depreciation expense for the year ended December 31, 2020	<u>(204,118)</u>		723,063

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			140,000
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			933
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The effect of recording net pension liability, deferred outflows of resources and deferred inflows of resources as it relates to the net pension liability:

Change in Pension Expense	(36,900)		
Nonemployer Pension Contribution Revenue Recognized	<u>7,132</u>		(29,768)

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>1,622</u>
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Total changes in net position at December 31, 2020 per Statement of Activities	\$	<u>(55,735)</u>
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The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020

ASSETS	
Current Assets:	
Cash And Interest-Bearing Deposits	\$ 11,178
Accounts Receivable	177
Inventory	<u>31,822</u>
Total Current Assets	<u>43,177</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>(4,806,830)</u>
Total Noncurrent Assets	<u>601,368</u>
Total Assets	<u>\$ 644,545</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources - Pension	<u>120,367</u>
Total Deferred Outflows of Resources	<u>\$ 120,367</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, 2020**

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 4,759
Accrued Liabilities	17,071
Unearned Revenues	6,460
Due to Foundation	401
Due To Other Funds	1,700,442
Due To Other Governments	<u>1,408</u>
Total Current Liabilities	<u>1,730,541</u>
Noncurrent Liabilities:	
Accrued Compensated Absences	21,616
Net Pension Liability	<u>2,819</u>
Total Noncurrent Liabilities	<u>24,435</u>
Total Liabilities	<u>\$ 1,754,976</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - Pension	<u>130,922</u>
Total Deferred Inflows of Resources	<u>\$ 130,922</u>

NET POSITION

Net Investment in Capital Assets	601,368
Unrestricted	<u>(1,722,354)</u>
Total Net Position	<u>\$ (1,120,986)</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, 2020

Operating Revenues:	
Charges, Fees And Sales -	
Gate Admission And Programs	\$ 96,456
Hospitality	195,995
Gift Shop	42,212
Miscellaneous -	
Other	9,544
Total Operating Revenues	<u>344,207</u>
Operating Expenses:	
Hospitality	387,283
Gift Shop	77,326
Programming	325,220
General And Administrative	136,133
Pension Expense	25,386
Depreciation	25,815
Total Operating Expenses	<u>977,163</u>
Operating Loss	(632,956)
Non-Operating Revenues:	
Nonemployer Pension Contribution	4,847
Other Financing Sources:	
Operating Transfers In	<u>384,403</u>
Net Loss	(243,706)
Net Position, Beginning	<u>(877,280)</u>
Net Position, Ending	<u><u>\$(1,120,986)</u></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, 2020**

Cash Flows From Operating Activities:	
Receipts From Customers	\$ 331,091
Payments To Suppliers	(485,004)
Payments To Employees	(456,049)
Net Cash Used By Operating Activities	<u>(609,962)</u>
Cash Flows From Noncapital Financing Activities:	
Transfers From Other Funds	<u>384,403</u>
Net Cash Provided By Noncapital Financing Activities	<u>384,403</u>
Net Decrease In Cash And Cash Equivalents	(225,559)
Cash And Cash Equivalents, Beginning of Period	<u>236,737</u>
Cash And Cash Equivalents, End of Period	<u>\$ 11,178</u>
Reconciliation Of Operating Loss To Net Cash	
Used By Operating Activities:	
Operating Loss	\$ (632,956)
Adjustments To Reconcile Operating Loss To Net Cash Used By	
Operating Activities:	
Depreciation	25,815
Provision for Net Pension Liability, Net	25,386
Changes In Current Assets And Liabilities:	
Accounts Receivable	380
Inventory	2,021
Due To Other Governments	(2,527)
Accounts Payable	(1,309)
Accrued Expenses	1,708
Retirement Payable	(20,425)
Unearned Revenues	(13,496)
Accrued Compensated Absences	<u>5,441</u>
Net Cash Used By Operating Activities	<u>\$ (609,962)</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, 2020

(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, 2020

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Financial Statements

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

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

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

The major funds of the District are described below:

Governmental Funds:

General Fund

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

Capital Projects Fund

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

Debt Service Fund

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Proprietary Fund:

Enterprise Fund

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

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

Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(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, 2020**

(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, 2020 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, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

Long-term Debt

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

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

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

Government-wide and Proprietary Fund Net Position

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(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, 2020, 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, 2020**

(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 \$32,561 for the general fund and \$21,616 for the proprietary fund at December 31, 2020.

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, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Prepaid Expenses

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

Use of Estimates

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

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

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

(B) LEGAL COMPLIANCE - BUDGETS

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

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

(C) CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the District has cash and interest-bearing deposits (book balances) totaling \$2,049,470.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(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, 2020, are secured as follows:

Bank Balances	<u>\$2,136,311</u>
Federal deposit insurance	\$ 250,000
Pledged securities (Category 3)	<u>3,197,825</u>
Total federal insurance and pledged securities	<u>\$3,447,825</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, 2020 of \$1,877,428 consist of the following:

	Governmental Activities	Business-type Activities	Total
Ad valorem taxes	\$1,877,428	\$ -	\$1,877,428
Other	-	-	-
Totals	<u>\$1,877,428</u>	<u>\$ -</u>	<u>\$1,877,428</u>

The balance in Due from Sheriff of \$1,688,360 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2020 but not yet been distributed to the District. The amounts reported as ad valorem tax receivable of \$189,068 represents ad valorem taxes collected by the Lafayette Parish Sheriff after December 31, 2020.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(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, 2020, taxes were dedicated as follows:

General Maintenance	0.79
Debt Service	0.10

For the year ended December 31, 2020, taxes were levied on property with assessed valuations totaling \$2,610,448,358, less homestead exemptions of \$408,396,210.

(F) ACCOUNTS AND OTHER PAYABLES

The accounts and other payables consisted of the following at December 31, 2020:

	Governmental Activities	Business-type Activities	Total
Accounts Payable	\$ 218,579	\$ 4,759	\$ 223,338
Retainage Payable	45,796	-	45,796
Other Liabilities	28,626	17,071	45,697
Totals	<u>\$ 293,001</u>	<u>\$ 21,830</u>	<u>\$ 314,831</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(G) CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020 was as follows:

	<u>Balance 01/01/2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 12/31/2020</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 146,000	\$ -	\$ -	\$ 146,000
Construction In Progress	-	927,181	-	927,181
Other Capital Assets:				
Buildings	336,777	-	-	336,777
Site Improvements	3,784,456	-	-	3,784,456
Equipment	970,846	-	-	970,846
Totals	<u>5,238,079</u>	<u>-</u>	<u>-</u>	<u>6,165,260</u>
Less Accumulated Depreciation:				
Buildings	173,841	16,719	-	190,560
Site Improvements	2,085,542	113,850	-	2,199,392
Equipment	702,578	73,550	-	776,128
Total accumulated depreciation	<u>2,961,961</u>	<u>204,119</u>	<u>-</u>	<u>3,166,080</u>
Governmental Activities Capital Assets, net	<u>\$1,396,255</u>	<u>\$(204,118)</u>	<u>\$ -</u>	<u>\$2,999,180</u>
Business-type Activities:				
Capital Assets not being Depreciated:				
Artifacts	\$ 182,729	\$ -	\$ -	\$ 182,729
Other Capital Assets:				
Buildings	3,405,063	-	-	3,405,063
Site Improvements	1,499,523	-	-	1,499,523
Equipment	227,763	-	-	227,763
Furniture and Fixtures	93,120	-	-	93,120
Totals	<u>5,225,469</u>	<u>-</u>	<u>-</u>	<u>5,225,469</u>
Less Accumulated Depreciation:				
Buildings	2,868,621	25,815	-	2,894,436
Site Improvements	1,499,523	-	-	1,499,523
Equipment	319,751	-	-	319,751
Furniture and Fixtures	93,120	-	-	93,120
Total accumulated depreciation	<u>4,781,015</u>	<u>25,815</u>	<u>-</u>	<u>4,806,830</u>
Business Activities Capital Assets, net	<u>\$ 627,183</u>	<u>\$(25,815)</u>	<u>\$ -</u>	<u>\$ 601,368</u>

Depreciation expense for the governmental activities in the amount of \$204,118 was charged to the general government function. Depreciation expense for the business-type activities in the amount of \$25,815 was charged to Vermilionville.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(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, 2020:

	<u>Balance at 12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 12/31/20</u>
Bonds Payable	\$ 3,685,000	\$ -	\$ (140,000)	\$ 3,545,000
Net Pension Liability	367,341	-	(360,371)	6,970
Compensated Absences Payable	<u>50,358</u>	<u>3,819</u>	<u>-</u>	<u>54,177</u>
Total Long-Term Obligations	<u>\$ 4,105,699</u>	<u>\$ 3,819</u>	<u>\$ (500,371)</u>	<u>\$ 3,606,147</u>
Current Portion				<u>\$ 150,000</u>

Long-term debt payable at December 31, 2020 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. \$ 3,545,000

Unamortized Bond Premium 41,179

Net General Obligation Bonds Outstanding \$ 3,586,179

The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2021	\$ 150,000	\$ 77,694
2022	155,000	74,643
2023	165,000	71,444
2024	170,000	68,094
2025	180,000	64,594
2026-2030	1,055,000	262,300
2031-2035	1,355,000	127,425
2036	<u>315,000</u>	<u>4,134</u>
Total	<u>\$ 3,545,000</u>	<u>\$ 750,328</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(I) LEASE AND INTERGOVERNMENTAL AGREEMENTS

1. The District entered into a lease agreement with the City of Lafayette, the Parish of Lafayette, and the Lafayette Airport Commission for Beaver Park property for the construction and operation of the Vermilionville Project. The lease commenced on August 17, 1987 with monthly payments of \$100 due on the first day of each month, with an annual CPI adjustment option, current monthly payments are \$1,250. The lease shall extend for a time period of seventy-one years. Property lease expenditure in the amount of \$15,000 is included in the General Fund's statement of revenues and expenditures for the year ended December 31, 2020.
2. The District entered into an intergovernmental agreement with the State of Louisiana Department of Transportation and Development on August 4, 1987 to use the land and airspace of the Interstate Route I-10 over the Vermilion River between Louisiana Avenue and Calais Road for the purpose of constructing, operating, and maintaining a public boat launch.
3. Lafayette Parish Bayou Vermilion District and Lafayette Airport Commission entered into an agreement on April 5, 1989 for the Beaver Park property for an initial period of 20 years. This lease has been renewed multiple times with the current lease being a 10-year lease commencing on January 1, 2021 through December 31, 2020, payable in monthly payments of \$713 with an annual CPI adjustment. Land rent expense in the amount of \$7,296 is included in the Enterprise Fund's statement of revenues and expenses for the year ended December 31, 2020.

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

<u>Years Ended December 31,</u>	
2021	\$ 23,551
2022	23,551
2023	23,551
2024	23,551
2025	23,551
2026-2030	117,755
2031-2035	75,000
2036-2040	75,000
2041-2045	75,000
2046-2050	75,000
2051-2055	75,000
2056-2058	45,000
	<u>\$655,511</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, 2020.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(K) DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

Eligibility Requirements

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

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(K) DEFINED BENEFIT PENSION PLAN - continued

Survivor Benefits

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

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

Disability Benefits

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

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

Deferred Retirement Option Plan

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

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

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

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

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(K) DEFINED BENEFIT PENSION PLAN - continued

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

Cost of Living Increases

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

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

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2019, the actually determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2019 was 11.50% for Plan A.

The total contributions for the years ended December 31, 2020, 2019 and 2018 were \$107,074, \$107,938, and \$58,513, respectively.

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

Schedule of Employer Allocations

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(K) DEFINED BENEFIT PENSION PLAN - continued

The allocation method used in determining each employer's proportion was based on the employer's contributions to the plan during the fiscal year ended December 31, 2019 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2019.

Actuarial Methods and Assumptions

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

The components of the net pension liability of the System's employers as of December 31, 2019 are as follows:

	PLAN A
Total Pension Liability	\$ 4,096,496,036
Plan Fiduciary Net Position	<u>4,091,788,575</u>
Total Net Pension Liability	<u>\$ 4,707,461</u>

The District's allocation is 0.148025% of the Total Net Pension Liability.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	4.75% (2.40% Inflation)
Mortality Rates:	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees Pub-2010 Public Retirement Plans Mortality Table for General Employees Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees
Expected Remaining Service Lives	4 years for Plan A
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(K) DEFINED BENEFIT PENSION PLAN - continued

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contributions rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(K) DEFINED BENEFIT PENSION PLAN - continued

For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	PLAN A		
	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Net Pension Liability (Asset)	\$ 753,135	\$ 6,970	\$ (618,305)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2020 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources for Plan A in the amount of \$62,380 for the year ended December 31, 2020.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amounts of \$261,205 for Plan A for the year ended December 31, 2020.

Change in Assumptions:

The changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The change in assumptions or other inputs resulted in deferred outflows of resources in the amount of \$97,320 for Plan A, for the year ended December 31, 2020.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$93,525 for the year ended December 31, 2020.

Contributions – Proportionate Share:

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

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

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

At December 31, 2019, the District reported a liability of \$6,970 for its proportionate share of the net pension liability, of which \$4,151 and \$2,819 was reported in the governmental activities and business-type activities, respectively.

The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At December 31, 2019, the District's proportion was .148025%, which was an increase of .06526% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the District recognized pension expense of \$169,360 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$74.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(K) DEFINED BENEFIT PENSION PLAN - continued

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference Between Expected and Actual Experience	\$ -	\$ 37,141	\$ -	\$ 25,238
Change in Assumptions	57,944	-	39,376	-
Change in Proportion and Differences Between the Employer's Proportionate Share of Contributions	55,434	-	37,669	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	155,522	-	105,684
Contributions Subsequent to the Measurement Date	<u>63,752</u>	<u>-</u>	<u>43,322</u>	<u>-</u>
Total	<u>\$ 177,130</u>	<u>\$ 192,663</u>	<u>\$ 120,367</u>	<u>\$ 130,922</u>

Deferred outflows of resources of \$107,074 related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2020.

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

Year Ended	
<u>December 31,</u>	
2020	\$ (15,059)
2021	(30,211)
2022	30,752
2023	<u>(117,600)</u>
Total	<u>\$ (132,118)</u>

(L) RISK MANAGEMENT

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

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

Compensation, benefits, and other payments paid to the Chief Executive Officer, David Cheramie for the year ended December 31, 2020 amounted to \$73,442 in salaries, there were no other payments made.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(N) INTERFUND TRANSACTIONS

Interfund receivables and payables consisted of the following at December 31, 2020:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,700,442	\$ -
Enterprise Fund	-	1,700,442
Total	\$ 1,700,442	\$1,700,442

Operating transfers consisted of the following at December 31, 2020:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ -	\$ 384,403
Enterprise Fund	384,403	-
Total	\$ 384,403	\$ 384,403

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

(O) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 18, 2021, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020**

	2020			Variance - Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ 1,623,500	\$ 1,719,430	\$ 1,715,660	\$ (3,770)
Intergovernmental	185,000	135,275	84,970	(50,305)
Interest	38,750	18,250	15,417	(2,833)
Miscellaneous	30,000	28,300	24,795	(3,505)
Total Revenues	<u>1,877,250</u>	<u>1,901,255</u>	<u>1,840,842</u>	<u>(60,413)</u>
Expenditures:				
Current -				
General Government	1,716,750	1,614,433	1,581,448	32,985
Capital Outlay	6,000	32,260	-	32,260
Total Expenditures	<u>1,722,750</u>	<u>1,646,693</u>	<u>1,581,448</u>	<u>65,245</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>154,500</u>	<u>254,562</u>	<u>259,394</u>	<u>(125,658)</u>
Other Financing Uses:				
Transfers Out	-	(310,000)	(384,403)	(74,403)
Total Other Financing Uses	<u>-</u>	<u>(310,000)</u>	<u>(384,403)</u>	<u>(74,403)</u>
Excess (Deficiency) Of Revenues Over Expenditures And Other Uses	154,500	(55,438)	(125,009)	(200,061)
Fund Balance, Beginning	<u>2,102,426</u>	<u>2,102,426</u>	<u>2,102,426</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,256,926</u>	<u>\$ 2,046,988</u>	<u>\$ 1,977,417</u>	<u>\$ (200,061)</u>

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS) –
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

A. BASIS OF ACCOUNTING

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2020**

Year ended December 31	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.148025%	\$ 6,970	\$ 874,074	0.8%	99.89%
2019	0.082765%	\$ 367,341	\$ 448,041	82.0%	88.86%

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Year ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2020	\$ 108,036	\$ 107,938	\$ 98	\$874,074	12.35%
2019	\$ 57,121	\$ 58,512	\$ (1,391)	\$448,041	13.06%

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

(A) PENSION PLAN

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

**COMPLIANCE
AND
INTERNAL CONTROL**

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

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JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

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CHRISTINE R. DUNN, CPA**

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** A LIMITED LIABILITY COMPANY



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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, 2020, 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 18, 2021.

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 18, 2021

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2020**

We have audited the financial statements of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2020, and have issued our report thereon dated June 18, 2021. 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, 2020 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

Significant Deficiencies
Material Weaknesses

Yes No
 Yes No

Compliance

Compliance Material to Financial Statements

Yes No

b. Management Letter

Was a management letter issued?

Yes No

Section II - Financial Statement Findings

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, 2020.



MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2020

Louisiana Legislative Auditor

The Lafayette Parish Bayou Vermilion District respectfully submits the following corrective action plan for the year ended December 31, 2020.

Management Letter

2020-1 ML Inventory/Point of Sale Software

Auditors' Comment: During our audit, we noted 38 instances where there are negative values in the inventory on hand per the final year-end inventory report. This issue has been noted in the prior year and a verbal management comment was made to management.

Auditors' Recommendation: We recommend that the point of sale software be evaluated to determine if there is a mechanism to not allow the sale of an item that is not shown in inventory and if that is not an option, that at least on a monthly basis the inventory valuation report be reviewed by someone outside of the gift shop staff and any negative quantities be investigated to determine the cause, a corrective action be taken.

Management's Response: We will begin monitoring the inventory of the gift shop as recommended.

2018-3 ML Old Outstanding Checks

Auditors' Comment: During our audit, we noted three bank accounts that have outstanding checks greater than one year. This issue has been noted in the prior year and a verbal management comment was made to management.

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

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

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

Sincerely,

David Cheramie, Ph.D.
Chief Executive Officer
Lafayette Parish Bayou Vermilion District