

**LAFAYETTE PARISH BAYOU
VERMILION DISTRICT**

LAFAYETTE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS

| | |
|--|-------|
| INDEPENDENT AUDITORS' REPORT | 2-3 |
| BASIC FINANCIAL STATEMENTS | |
| Government-Wide Financial Statements (GWFS): | |
| Statement of Net Position | 6-7 |
| Statement of Activities..... | 8 |
| Fund Financial Statements (FFS): | |
| Balance Sheet-Governmental Funds..... | 10 |
| Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities..... | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds..... | 12 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 13 |
| Statement of Net Position-Proprietary Fund..... | 14 |
| Statement of Revenues, Expenditures and Changes in Net Position- Proprietary Fund | 15 |
| Statement of Cash Flows-Proprietary Fund..... | 16 |
| Notes to the Basic Financial Statements | 17-32 |
| REQUIRED SUPPLEMENTARY INFORMATION SECTION | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (GAAP Basis) - General Fund..... | 34 |
| Notes to the Budgetary Comparison Schedule..... | 35 |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 37-38 |
| Schedule of Findings and Questioned Costs | 39 |

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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, APA *

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

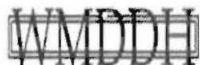
JOAN MARTIN, CPA, CVA, CFF, DABFA**

BRIDGET B. TILLEY, CPA, MT**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA * +
MICHAEL G. DEHART, CPA * +
JOE D. HUTCHINSON, CPA * +

+RETIRED



STEPHANIE A. BLANK, CPA

ROBERT T. DUCHARME, II, CPA

STEFAN HAWKINS, CPA

KAYLEEN HOWARD, CPA

MARY PATRICIA KEELEY, CPA

ROBIN T. LeBLANC, CPA

WENDY ORTEGO, CPA, CVA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

INDEPENDENT AUDITORS' REPORT

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, as of and for the year ended December 31, 2013, 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 auditor's 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, 2013, 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 19, 2014, on our consideration of the Lafayette Parish Bayou Vermilion District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Parish Bayou Vermilion District's internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana
June 19, 2014

BASIC FINANCIAL STATEMENTS

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF NET POSITION
DECEMBER 31, 2013**

| | Governmental Activities | Business-Type Activities | Total |
|------------------------------------|----------------------------|-----------------------------|-------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash And Interest-Bearing Deposits | \$2,357,036 | \$ 209,802 | \$2,566,838 |
| Receivables, Net | - | 16,593 | 16,593 |
| Ad Valorem Tax Receivable | 481,537 | - | 481,537 |
| Due From Sheriff | 777,708 | - | 777,708 |
| Internal Balances | 320,071 | (320,071) | - |
| Prepaid Expenses | 297 | - | 297 |
| Inventory | - | 44,222 | 44,222 |
| Total Current Assets | 3,936,649 | (49,454) | 3,887,195 |
| Noncurrent Assets: | | | |
| Land | 90,000 | - | 90,000 |
| Capital Assets, Net | 1,663,069 | 1,226,425 | 2,889,494 |
| Total Noncurrent Assets | 1,770,444 | 1,226,425 | 2,996,869 |
| Total Assets | \$5,707,093 | \$1,176,971 | \$6,884,064 |

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

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**STATEMENT OF NET POSITION
DECEMBER 31, 2013**

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-------------|
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts And Other Payables | \$ 33,556 | \$ 33,486 | \$ 67,042 |
| Unearned Revenue | - | 18,015 | 18,015 |
| Grant Advance | 5,202 | | 5,202 |
| Due To Other Governments | - | 6,195 | 6,195 |
| Bonds Payable | 95,000 | - | 95,000 |
| Accrued Interest | 16,633 | - | 16,633 |
| Total Current Liabilities | 150,391 | 57,696 | 208,087 |
| Noncurrent Liabilities: | | | |
| Bonds Payable | 1,250,000 | - | 1,250,000 |
| Total Noncurrent Liabilities | 1,250,000 | - | 1,250,000 |
| Total Liabilities | 1,400,391 | 57,696 | 1,458,087 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Ad Valorem Taxes | 1,592,171 | - | 1,592,171 |
| Total Deferred Inflow of Resources | 1,592,171 | - | 1,592,171 |
| NET POSITION | | | |
| Invested In Capital Assets, Net Of Related Debt Restricted For Debt Service | 1,552,578 | 1,226,425 | 2,779,003 |
| Unrestricted | 4,618 | (107,150) | (102,532) |
| Total Net Position | \$2,714,531 | \$1,119,275 | \$3,833,806 |

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, 2013**

| | 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 | \$ 1,291,836 | \$ - | \$ 43,403 | \$ (1,248,433) | \$ - | \$ (1,248,433) |
| Interest on Long-Term Debt | 52,645 | - | - | (52,645) | - | (52,645) |
| Total Governmental Activities | 1,344,481 | - | 43,403 | (1,301,078) | - | (1,301,078) |
| Business-Type Activities: | | | | | | |
| Vermilionville | 1,263,015 | 1,002,037 | - | - | (260,978) | (260,978) |
| Total Business-Type Activities | 1,263,015 | 1,002,037 | - | - | (260,978) | (260,978) |
| Total | \$ 2,607,496 | \$ 1,002,037 | \$ 43,403 | (1,301,078) | (260,978) | (1,562,056) |
| General Revenues: | | | | | | |
| Taxes - | | | | | | |
| Property Taxes, Levied for General Purposes | | | | 1,419,160 | - | 1,419,160 |
| Interest and Investment Earnings | | | | 13,877 | - | 13,877 |
| Miscellaneous | | | | 21,544 | 21,588 | 43,132 |
| Transfers | | | | (57,087) | 57,087 | - |
| Total General Revenues and Transfers | | | | 1,397,494 | 78,675 | 1,476,169 |
| Change in Net Position | | | | 96,416 | (182,303) | (85,887) |
| Net Position - January 1, 2013 | | | | 2,618,115 | 1,301,578 | 3,919,693 |
| Net Position - December 31, 2013 | | | | \$ 2,714,531 | \$ 1,119,275 | \$ 3,833,806 |

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, 2013**

| | General Fund | Debt Service | Capital Projects | Total |
|--|--------------------|---------------------|---------------------|--------------------|
| ASSETS | | | | |
| Cash And Interest-Bearing Deposits | \$ 1,056,962 | \$ 1,173,968 | \$ 126,106 | \$ 2,357,036 |
| Ad Valorem Tax Receivable | 323,526 | 43,141 | - | 366,667 |
| Due From Sheriff | 686,201 | 91,507 | - | 777,708 |
| Due From Other Funds | 320,396 | - | - | 320,396 |
| Prepaid Expenses | 297 | - | - | 297 |
| Total Assets | <u>\$2,387,382</u> | <u>\$ 1,308,616</u> | <u>\$ 126,106</u> | <u>\$3,822,104</u> |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 5,418 | \$ - | \$ - | \$ 5,418 |
| Due To Other Funds | - | - | 325 | 325 |
| Accrued Expenses | 28,138 | - | - | 28,138 |
| Grant Advance | 5,202 | - | - | 5,202 |
| Total Liabilities | <u>38,758</u> | <u>-</u> | <u>325</u> | <u>39,083</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Ad Valorem Taxes | 1,303,478 | 173,823 | - | 1,477,301 |
| Total Deferred Inflow of Resources | <u>1,303,478</u> | <u>173,823</u> | <u>-</u> | <u>1,477,301</u> |
| FUND BALANCES | | | | |
| Fund Balances - | | | | |
| Restricted | - | 1,134,793 | - | 1,134,793 |
| Assigned | - | - | 125,781 | 125,781 |
| Unassigned | 1,045,146 | - | - | 1,045,146 |
| Total Fund Balances | <u>1,045,146</u> | <u>1,134,793</u> | <u>125,781</u> | <u>2,305,720</u> |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balance | <u>\$2,387,382</u> | <u>\$ 1,308,616</u> | <u>\$ 126,106</u> | <u>\$3,822,104</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, 2013**

| | | |
|--|-------------|--------------|
| Total fund balances for governmental funds at December 31, 2013 | | \$ 2,305,720 |
| 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 | |
| Construction in progress | 17,375 | |
| Buildings, net of \$91,314 accumulated depreciation | 182,995 | |
| Site improvements, net of \$1,490,513 accumulated depreciation | 1,253,628 | |
| Equipment, net of \$508,021 accumulated depreciation | 226,446 | 1,770,444 |
| Long-term liabilities at December 31, 2013: | | |
| Bonds payable | (1,343,000) | |
| Accrued interest payable | (16,633) | (1,361,633) |
| Total net position of governmental activities at December 31, 2013 | | \$ 2,714,531 |

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, 2013**

| | General Fund | Debt Service | Capital Projects | Total |
|---|-----------------|-----------------|---------------------|-------------|
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 1,243,669 | \$ 175,491 | \$ - | \$1,419,160 |
| Intergovernmental | 43,403 | - | - | 43,403 |
| Interest | 6,611 | 5,870 | 1,396 | 13,877 |
| Miscellaneous | 21,544 | - | - | 21,544 |
| Total Revenues | 1,315,227 | 181,361 | 1,396 | 1,497,984 |
| Expenditures: | | | | |
| Current - | | | | |
| General Government | 1,090,133 | 6,345 | 41,027 | 1,137,505 |
| Capital Outlay | - | - | 327,503 | 327,503 |
| Debt Service - | | | | |
| Principal Paid | - | 90,000 | - | 90,000 |
| Interest And Fiscal Charges | - | 54,018 | - | 54,018 |
| Total Expenditures | 1,090,133 | 150,363 | 368,530 | 1,609,026 |
| Excess (Deficiency) Of Revenues Over Expenditures | 225,094 | 30,998 | (367,134) | (111,042) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | | 8,500 | 8,500 |
| Transfers Out | (65,587) | - | - | (65,587) |
| Total Other Financing Sources (Uses) | (65,587) | - | 8,500 | (57,087) |
| Excess (Deficiency) Of Revenues Over Expenditures And Other Uses | 159,507 | 30,998 | (358,634) | (168,129) |
| Fund Balances, Beginning | 885,639 | 1,103,795 | 484,415 | 2,473,849 |
| Fund Balances, Ending | \$ 1,045,146 | \$ 1,134,793 | \$ 125,781 | \$2,305,720 |

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, 2013

| | | | |
|--|------------------|---------|------------------|
| Total net changes in fund balances at December 31, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balances | | | \$(168,129) |
| 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 | \$ 327,503 | | |
| Depreciation expense for the year ended December 31, 2013 | <u>(154,331)</u> | 173,172 | |
| 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 assets | | | |
| | | | 90,000 |
| Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis | | | |
| | | | <u>1,373</u> |
| Total changes in net position at December 31, 2013 per Statement of Activities | | | <u>\$ 96,416</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, 2013

ASSETS

Current Assets:

| | | |
|------------------------------------|----|---------------|
| Cash And Interest-Bearing Deposits | \$ | 209,802 |
| Accounts Receivable | | 16,593 |
| Inventory | | <u>44,222</u> |
| Total Current Assets | | 270,617 |

Noncurrent Assets:

| | | |
|--------------------------|----|--------------------|
| Buildings | | 3,405,063 |
| Equipment | | 319,814 |
| Furniture And Fixtures | | 93,120 |
| Leasehold Improvements | | 1,499,523 |
| Artifacts | | 182,729 |
| Accumulated Depreciation | | <u>(4,273,824)</u> |
| Total Noncurrent Assets | | <u>1,226,425</u> |
| Total Assets | \$ | 1,497,042 |

LIABILITIES

Liabilities:

| | | |
|--------------------------|----|----------------|
| Accounts Payable | \$ | 12,518 |
| Accrued Liabilities | | 20,968 |
| Unearned Revenues | | 18,015 |
| Due To Other Funds | | 320,071 |
| Due To Other Governments | | <u>6,195</u> |
| Total Liabilities | | <u>377,767</u> |

NET POSITION

| | | |
|---|----|------------------|
| Invested In Capital Assets, Net Of Related Debt | | 1,226,425 |
| Unrestricted | | <u>(107,150)</u> |
| Total Net Position | \$ | 1,119,275 |

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, 2013

| | |
|-------------------------------|--------------------|
| Operating Revenues: | |
| Charges, Fees And Sales - | |
| Gate Admission And Programs | \$ 222,494 |
| Memberships | 13,853 |
| Restaurant And Special Events | 627,026 |
| Gift Shop | 138,664 |
| Miscellaneous - | |
| Interest Income | 1,183 |
| Other | 20,405 |
| Total Operating Revenues | <u>1,023,625</u> |
| Operating Expenses: | |
| Restaurant | 583,182 |
| Gift Shop | 129,727 |
| Programming | 317,404 |
| General And Administrative | 132,215 |
| Depreciation | 100,487 |
| Total Operating Expenses | <u>1,263,015</u> |
| Operating Loss | (239,390) |
| Other Financing Sources: | |
| Operating Transfers In | <u>57,087</u> |
| Net Loss | (182,303) |
| Net Position, Beginning | <u>1,301,578</u> |
| Net Position, Ending | <u>\$1,119,275</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, 2013

| | |
|--|---------------------|
| Cash Flows From Operating Activities: | |
| Receipts From Customers | \$ 1,018,215 |
| Payments To Suppliers | (770,081) |
| Payments To Employees | <u>(383,398)</u> |
| Net Cash Used By Operating Activities | <u>(135,264)</u> |
| Cash Flows From Noncapital Financing Activities: | |
| Cash Received From Other Funds | <u>169,104</u> |
| Net Cash Provided By Noncapital Financing Activities | <u>169,104</u> |
| Net Increase In Cash And Cash Equivalents | 33,840 |
| Cash And Cash Equivalents, Beginning of Period | <u>175,962</u> |
| Cash And Cash Equivalents, End of Period | <u>\$ 209,802</u> |
| Reconciliation Of Operating Loss To Net Cash Used By Operating Activities: | |
| Operating Loss | \$ (239,390) |
| Adjustments To Reconcile Operating Loss To Net Cash Used By Operating Activities: | |
| Depreciation | 100,487 |
| Changes In Current Assets And Liabilities: | |
| Accounts Receivable | (4,575) |
| Inventory | (5,552) |
| Due To Other Governments | 1,688 |
| Accounts Payable | 6,236 |
| Accrued Expenses | 6,677 |
| Deferred Revenues | <u>(835)</u> |
| Net Cash Used By Operating Activities | <u>\$ (135,264)</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, 2013

(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'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.

The financial reporting entity consists of (a) the primary government (the "District"), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Lafayette Parish Bayou Vermilion District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the District to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.
2. Organizations for which the District does not appoint a voting majority but are fiscally dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The District has determined that there are no component units to be included in these financial statements and therefore these financial statements present only the primary government.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government 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.

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. 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

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.

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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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 Revenues, Expenses and Changes in Fund Net Position 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). Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide.

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 deferred revenue on its balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Deferred 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 deferred 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Cash and Cash Equivalents

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

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

Investments

Under State law, the District may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement 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.

Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at December 31, 2013.

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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets

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

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

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

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

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

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.

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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

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. Invested in capital assets, net of related debt – 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 “invested in capital assets, net of related debt.”

Governmental Fund Balance

In the fund statements, governmental fund equity is classified as fund balance. The District elected to implement GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in fiscal year 2011. 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, 2013, 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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave are reported in the government-wide statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The employees of the District earn annual leave in an amount of 8 hours per month. 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 8 hours per month. All unused sick leave is carried forward from year to year. Upon retirement or separation, employees are paid at their regular rate for any sick leave hours credited in excess of 960 hours.

The amount of annual leave payable from future resources is considered immaterial at December 31, 2013 and is not reflected in the financial statements.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund Transfers

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

Budgets

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

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2013 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.

Impact of Recently Issued Accounting Principles

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012, and was implemented in fiscal year 2013.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

In June, 2012, the GASB approved Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and not disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the District for the year ending December 31, 2014 and provisions of GASB Statement No. 68 must be implemented by the District for the year ending December 31, 2015. The effect of implementation of these statements on the District's financial statements has not yet been determined.

(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 Executive Director 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 Executive Director 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, 2013, the District has cash and interest-bearing deposits (book balances) totaling \$2,566,837.

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.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

(C) CASH AND INTEREST-BEARING DEPOSITS - continued

Deposit balances (bank balances) at December 31, 2013, are secured as follows:

| | |
|--|--------------------|
| Bank balances | <u>\$2,334,410</u> |
| Federal deposit insurance | \$ 250,000 |
| Pledged securities (Category 3) | <u>2,692,968</u> |
| Total federal insurance and pledged securities | <u>\$2,942,968</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, 2013 of \$1,275,838 consist of the following:

| | Governmental Activities | Business-type Activities | Total |
|------------------|----------------------------|-----------------------------|---------------------|
| Ad valorem taxes | \$ 1,259,245 | \$ - | \$ 1,259,245 |
| Other | - | <u>16,593</u> | <u>16,593</u> |
| Totals | <u>\$ 1,259,245</u> | <u>\$ 16,593</u> | <u>\$ 1,275,838</u> |

The balance in Due from Sheriff of \$777,708 consisted of ad valorem taxes collected by the Lafayette Parish Sheriff at December 31, 2013 but not yet been distributed to the District. The amounts reported as ad valorem tax receivable of \$481,537 represents ad valorem taxes collected after December 31, 2013.

(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, 2013, taxes were dedicated as follows:

| | |
|---------------------|------|
| General maintenance | 0.75 |
| Debt service | 0.10 |

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

(F) CAPITAL ASSETS

| | Balance 01/01/13 | Additions | Transfers/ Deletions | Balance 12/31/13 |
|--|---------------------|--------------------|-------------------------|---------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 90,000 | \$ - | \$ - | \$ 90,000 |
| Construction in progress | 238,505 | - | 221,130 | 17,375 |
| Total | 328,505 | - | 221,130 | 107,375 |
| Other capital assets: | | | | |
| Buildings | 274,309 | - | - | 274,309 |
| Site improvements | 2,274,348 | 469,793 | - | 2,744,141 |
| Equipment | 655,627 | 78,840 | - | 734,467 |
| Totals | 3,204,284 | 548,633 | 221,130 | 3,531,787 |
| Less accumulated depreciation: | | | | |
| Buildings | 79,899 | 11,415 | - | 91,314 |
| Site improvements | 1,395,252 | 95,261 | - | 1,490,513 |
| Equipment | 460,366 | 47,655 | - | 508,021 |
| Total accumulated depreciation | 1,935,517 | 154,331 | - | 2,089,848 |
| Governmental activities, capital assets, net | <u>\$ 1,597,272</u> | <u>\$ 394,302</u> | <u>\$ 221,130</u> | <u>\$ 1,770,444</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 | 319,814 | - | - | 319,814 |
| Furniture and fixtures | 93,120 | - | - | 93,120 |
| Totals | 5,500,249 | - | - | 5,500,249 |
| Less accumulated depreciation: | | | | |
| Vermilionville | 4,173,337 | 100,487 | - | 4,273,824 |
| Business-type activities, capital assets, net | <u>\$ 1,326,912</u> | <u>\$(100,487)</u> | <u>\$ -</u> | <u>\$ 1,226,425</u> |

Depreciation expense for the governmental activities in the amount of \$154,331 was charged to the general government function. Depreciation expense for the business-type activities in the amount of \$100,487 was charged to Vermilionville.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

(G) ACCOUNTS AND OTHER PAYABLES

The accounts and other payables consisted of the following at December 31, 2013:

| | Governmental Activities | Business-type Activities | Total |
|-------------------|----------------------------|-----------------------------|------------------|
| Accounts | \$ 5,418 | \$ 12,518 | \$ 17,936 |
| Other liabilities | <u>28,138</u> | <u>20,968</u> | <u>49,106</u> |
| Totals | <u>\$ 33,556</u> | <u>\$ 33,486</u> | <u>\$ 67,042</u> |

(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, 2013:

| | |
|---|---------------------|
| Long-term debt payable, January 1, 2013 | \$ 1,435,000 |
| Long-term debt issued | - |
| Long-term debt retired | <u>(90,000)</u> |
| Long-term debt payable, December 31, 2013 | <u>\$ 1,345,000</u> |

Long-term debt payable at December 31, 2013 is comprised of the following individual issue:

General Obligation Bonds:

| | |
|---|---------------------|
| \$2,000,000 General obligation bonds, Series 2004; due in annual installments of \$60,000 to \$155,000 through March 1, 2024; interest at .10 percent to 4.50 percent; payable from ad valorem taxes. | <u>\$ 1,345,000</u> |
|---|---------------------|

The bonds are due as follows:

| Year ending December 31, | Principal Payments | Interest Payments |
|-----------------------------|-----------------------|----------------------|
| 2014 | \$ 95,000 | \$ 49,900 |
| 2015 | 100,000 | 46,213 |
| 2016 | 105,000 | 43,009 |
| 2017 | 110,000 | 39,540 |
| 2018 | 115,000 | 35,655 |
| 2019-2023 | 665,000 | 104,376 |
| 2024 | <u>155,000</u> | <u>3,293</u> |
| Total | <u>\$ 1,345,000</u> | <u>\$ 321,986</u> |

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

(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, 2013.

- 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 \$401 and with an annual CPI adjustment. Land rent expense in the amount of \$4,809 is included in the Enterprise Fund's statement of revenues and expenses for the year ended December 31, 2013.

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

| Year Ended <u>December 31,</u> | | |
|-----------------------------------|-----------|----------------|
| 2014 | \$ | 19,809 |
| 2015 | | 19,809 |
| 2016 | | 19,809 |
| 2017 | | 19,809 |
| 2018 | | 19,809 |
| 2019-2023 | | 76,603 |
| 2024-2028 | | 75,000 |
| 2029-2033 | | 75,000 |
| 2034-2038 | | 75,000 |
| 2039-2043 | | 75,000 |
| 2044-2048 | | 75,000 |
| 2049-2053 | | 75,000 |
| 2054-2058 | | 70,000 |
| | <u>\$</u> | <u>695,648</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, 2013.

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

(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, 2013 amounted to \$63,530.

(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. Insurance settlements have not exceeded insurance coverage the past three years.

(M) INTERFUND TRANSACTIONS

1. Receivables and Payables

Interfund receivables and payables consisted of the following at December 31, 2013:

| | Interfund Receivables | Interfund Payables |
|-----------------------|--------------------------|-----------------------|
| General Fund | \$ 320,396 | \$ - |
| Capital Projects Fund | - | 325 |
| Enterprise Fund | - | 320,071 |
| Total | \$ 320,396 | \$ 320,396 |

2. Operating transfers

Operating transfers consisted of the following at December 31, 2013:

| | Operating Transfers In | Operating Transfers Out |
|------------------|---------------------------|----------------------------|
| General Fund | \$ - | \$ 65,587 |
| Capital Projects | 8,500 | - |
| Enterprise Fund | 57,087 | - |
| Total | \$ 65,587 | \$ 65,587 |

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, 2013**

(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) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 19, 2014, the date which the financial statements were available to be issued. On February 28, 2014, the District made an advance payment in the amount of \$1,150,000 in an effort to pay down their current debt.

REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH BAYOU VERMILION DISTRICT
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2013**

| | 2013 | | | Variance - Favorable (Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Ad Valorem Taxes | \$ 1,219,500 | \$ 1,243,071 | \$ 1,243,669 | \$ 598 |
| Intergovernmental | 43,000 | 43,160 | 43,403 | 243 |
| Interest | 7,300 | 6,793 | 6,611 | (182) |
| Miscellaneous | 13,000 | 21,605 | 21,544 | (61) |
| Total Revenues | <u>1,282,800</u> | <u>1,314,629</u> | <u>1,315,227</u> | <u>598</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General Government | 1,140,030 | 1,130,091 | 1,090,133 | 39,958 |
| Capital Outlay | 4,000 | 1,660 | - | 1,660 |
| Total Expenditures | <u>1,144,030</u> | <u>1,131,751</u> | <u>1,090,133</u> | <u>41,618</u> |
| Excess Of Revenues Over Expenditures | <u>138,770</u> | <u>182,878</u> | <u>225,094</u> | <u>42,216</u> |
| Other Financing Uses: | | | | |
| Transfers Out | - | - | (65,587) | (65,587) |
| Total Other Financing Uses | <u>-</u> | <u>-</u> | <u>(65,587)</u> | <u>(65,587)</u> |
| Excess (Deficiency) Of Revenues Over Expenditures And Other Uses | 138,770 | 182,878 | 159,507 | (23,371) |
| Fund Balance, Beginning | <u>885,639</u> | <u>885,639</u> | <u>885,639</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 1,024,409</u> | <u>\$ 1,068,517</u> | <u>\$ 1,045,146</u> | <u>\$ (23,371)</u> |

LAFAYETTE PARISH BAYOU VERMILION DISTRICT

**NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013**

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
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

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, APA *

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

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

BRIDGET B. TILLEY, CPA, MT**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA **
MICHAEL G. DEHART, CPA **
JOE D. HUTCHINSON, CPA **

+RETIRED



STEPHANIE A. BLANK, CPA

ROBERT T. DUCHARME, II, CPA

STEFAN HAWKINS, CPA

KAYLEEN HOWARD, CPA

MARY PATRICIA KEELEY, CPA

ROBIN T. LeBLANC, CPA

WENDY ORTEGO, CPA, CVA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

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

To 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, 2013, 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 19, 2014.

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 to determine the audit procedures for the purpose 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 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. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

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

Lafayette, Louisiana
June 19, 2014

LAFAYETTE PARISH BAYOU VERMILION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

We have audited the financial statements of the Lafayette Parish Bayou Vermilion District as of and for the year ended December 31, 2013, and have issued our report thereon dated June 19, 2014. 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, 2013 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

| | | |
|--------------------------|-----|--|
| Significant Deficiencies | Yes | <input checked="" type="checkbox"/> No |
| Material Weaknesses | Yes | <input checked="" type="checkbox"/> No |

Compliance

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

- b. Management Letter

| | | |
|---------------------------------|------------------------------|--|
| Was a management letter issued? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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, 2013.