

**VERMILION SOIL & WATER
CONSERVATION DISTRICT**
Abbeville, Louisiana

Financial Report

Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/9/09

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**Darnall, Sikes,
Gardes Frederick.**

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990
E. Larry Sikes, CPA/PFS, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Pamela Mayeux Bonin, CPA, CVA
Joan B. Moody, CPA
Erich G. Loewer, III, CPA, M.S. TAX
Lauren F. Hebert, CPA
Barbara Ann Watts, CPA
Craig C. Babineaux, CPA/PFS, CFP™

Kathleen T. Darnall, CPA
Michelle B. Hanks, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA
Carol C. Guillory, CPA
Christy S. Dew, CPA
Emily J. LeBoeuf, CPA
Rachel W. Ashford, CPA
Dustin R. Buck, CPA
Veronica LeBleu, CPA
Jacob C. Roberie, CPA
Cecilia A. Hoyt, CPA
Blaine M. Crochet, CPA, M.S.

INDEPENDENT ACCOUNTANT’S REPORT

The Board of Directors
Vermilion Soil & Water Conservation District
Abbeville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Vermilion Soil & Water Conservation District (the District) as of and for the year ended June 30, 2009, which collectively comprise the District’s basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the District.

A review consists principally of inquiries of the District’s personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The budgetary comparison information on pages 20 through 22 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

2100 Kaliste Saloom Rd
Suite 300
Lafayette, LA 70508
Phone 337 232 3312
Fax 337 237 3614

1231 E Laurel Ave
Eunice, LA 70535
Phone 337 457 4146
Fax 337 437 5060

1201 Brashear Ave
Suite 301
Morgan City, LA 70380
Phone 985 384 6264
Fax 985 384 8140

203 S Jefferson Street
Abbeville, LA 70510
Phone 337 893 5470
Fax 337 893 5470

Member of
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants
www.dsfcps.com

The Vermillion Soil & Water Conservation District (the District) has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, we have issued a report dated October 27, 2009 on the results of our agreed-upon procedures for compliance with laws and regulations.

Dannall, Sikes, Gaudes & Frederick

(A Corporation of Certified Public Accountants)

Eunice, Louisiana

October 27, 2009

GOVERNMENT WIDE FINANCIAL STATEMENTS

VERMILION SOIL & WATER CONSERVATION DISTRICT

Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 224,311
Receivables (net of allowance for uncollectibles)	96,339
Furniture and equipment (net)	<u>30,459</u>
Total assets	<u>351,109</u>
LIABILITIES	
Accounts payable and accrued liabilities	53,868
Accrued annual leave	<u>2,719</u>
Total liabilities	<u>56,587</u>
NET ASSETS	
Invested in capital assets, net of related debt	30,459
Unrestricted	<u>264,063</u>
Total Net Assets	<u>\$ 294,522</u>

See accompanying notes and accountant's review report.

VERMILION SOIL & WATER CONSERVATION DISTRICT

Statement of Activities
Year Ended June 30, 2009

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total
Governmental Activities					
General government	\$ 100,367	\$ -	\$ 64,610	\$ -	\$ (35,757)
Special revenue	<u>198,342</u>	<u>-</u>	<u>218,066</u>	<u>-</u>	<u>19,824</u>
Total governmental activities	<u>\$ 298,709</u>	<u>\$ -</u>	<u>\$ 282,676</u>	<u>\$ -</u>	<u>(15,933)</u>
General Revenues:					
					17,500
					2,822
					<u>22,204</u>
					<u>42,526</u>
					26,493
					<u>268,029</u>
					<u>\$ 294,522</u>

See accompanying notes and accountant's review report.

FUND FINANCIAL STATEMENTS

VERMILION SOIL & WATER CONSERVATION DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2009

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Current assets:			
Cash and cash equivalents	\$ 216,352	\$ 7,959	\$ 224,311
Receivables	<u>13,491</u>	<u>82,848</u>	<u>96,339</u>
Total current assets	<u>229,843</u>	<u>90,807</u>	<u>320,650</u>
Total assets	<u>\$229,843</u>	<u>\$90,807</u>	<u>\$320,650</u>
LIABILITIES AND FUND BALANCES			
Current liabilities:			
Accounts payable	\$ -	\$ 41,382	\$ 41,382
Accrued salaries	<u>8,406</u>	<u>4,080</u>	<u>12,486</u>
Total current liabilities	<u>8,406</u>	<u>45,462</u>	<u>53,868</u>
Fund balances:			
Unreserved - undesignated	<u>221,437</u>	<u>45,345</u>	<u>266,782</u>
Total liabilities and fund balances	<u>\$ 229,843</u>	<u>\$ 90,807</u>	<u>\$ 320,650</u>

See accompanying notes and accountant's review report.

VERMILION SOIL & WATER CONSERVATION DISTRICT

Reconciliation of the Government Fund Balances
to the Statement of Net Assets
June 30, 2009

Fund Balances, Total Governmental Funds	\$ 266,782
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	30,459
Compensated absences are not paid for out of current financial resources and therefore are not reported in the fund financial statements	<u>(2,719)</u>
Net Assets of Government Activities	<u>\$ 294,522</u>

See accompanying notes and accountant's review report.

VERMILION SOIL & WATER CONSERVATION DISTRICT

Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
State funds	\$ 64,610	\$ -	\$ 64,610
Local funds	17,500	-	17,500
Federal grants	-	218,066	218,066
Interest income	2,822	-	2,822
Other revenues	<u>22,204</u>	<u>-</u>	<u>22,204</u>
Total revenues	107,136	218,066	325,202
EXPENDITURES			
General government	88,881	198,342	287,223
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>88,881</u>	<u>198,342</u>	<u>287,223</u>
Excess of revenues over expenditures	<u>18,255</u>	<u>19,724</u>	<u>37,979</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	100	100
Transfers out	<u>(100)</u>	<u>-</u>	<u>(100)</u>
Total other financing sources (uses)	<u>(100)</u>	<u>100</u>	<u>-</u>
Net increase in fund balances	18,155	19,824	37,979
FUND BALANCES			
Beginning of year	<u>203,282</u>	<u>25,521</u>	<u>228,803</u>
End of year	<u>\$ 221,437</u>	<u>\$ 45,345</u>	<u>\$ 266,782</u>

See accompanying notes and accountant's review report.

VERMILION SOIL & WATER CONSERVATION DISTRICT

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2009

Net Change in Fund Balances, Total Governmental Funds	\$ 37,979
Amounts reported for governmental activities in the Statement of activities are 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. This is the amount by which capital outlays exceed depreciation in the current period	(8,767)
Governmental funds report compensated absences as expenditures only when paid and therefore the amount earned in excess of the amount paid does not require the use of current financial resources and is not reported as an expenditure in government funds	<u>(2,719)</u>
Change in Net Assets of Governmental Activities	<u>\$ 26,493</u>

See accompanying notes and accountant's review report.

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NATURE OF ORGANIZATION

Vermilion Soil and Water Conservation District (the District) was created under the provisions of the Louisiana revised Statutes (LSA-R.S.) 3:1201. The District's boundaries are within District 41, Area IV of the State of Louisiana. The District is governed by a Board consisting of five land owners or occupants, as provided by LSA-R.S. 3:1204. The District primarily assists farmers and other land users in the use of the lands and the prevention of erosion of arm and urban land and the pollution in the State of Louisiana.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The financial statements of the District include all funds, account groups, and activities that are within the oversight responsibility of the District. Certain units of local government, over which the District exercises no oversight responsibility, such as the Louisiana Department of Agriculture and Forestry, Louisiana Association of Conservation Districts, Louisiana State University Agricultural Center, independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the District.

As the governing authority for reporting purposes, the Vermilion Soil and Water Conservation (the District) is a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (District), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Vermilion soil and Water Conservation 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. These criteria include:

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District was determined not to be a component unit of the Louisiana Department of Agriculture and Forestry, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Department, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. There were no activities of the District categorized as a business type activity.

In the government-wide Statement of Net Assets, the governmental activity, column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis.

The government-wide Statement of Activities, reports both the gross and net cost of the District's function. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflects capital-specific grants.

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc.)

The District does not allocate indirect costs.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

State funds, newsletter sponsorships, equipment rental, royalties, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund

The General Fund is the principal fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. General operating expenditures are paid from this fund.

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Fund

Special revenue funds are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The District has a Special Revenue Fund, described as follows:

Natural Resources Conservation Service

The District is reimbursed monthly for salary costs and benefits of providing Computer Assisted Design (CAD) and drafting services to NRCS for the Environmental Quality Incentive Program (EQIP). Within this program is the Resource Conservation and Development District (RC&D), which reimburses the District for qualifying services performed on behalf of RC&D.

Department of Environmental Quality

The District is appropriated funds from the EPA for water quality projects.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges, if any, would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and cash equivalents

Cash includes amounts in time deposits and interest-bearing demand deposits.

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Louisiana Revised Statutes authorize the District to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investments Act of 1940, and which have underlying investments consisting solely of, and limited to, securities of the US Government or its agencies. For purposes of the statement of cash flows, the Proprietary Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Uncollectible Receivables

The financial statements for the District contain no allowance for uncollectible receivables. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 cost 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 \$500 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.

Capital outlays are recorded as expenditures in the fund financial statements, and they are recorded as assets in the government-wide financial statements. In accordance with GASB Statement No. 34, the District is a Phase 3 government, and as such is not required to capitalize its infrastructure retroactively. The District has decided to record its infrastructure on a prospective basis.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and building improvements	15-40 years
Furniture and fixtures	7 years
Vehicles	5 years
Equipment	5-20 years

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the general fund and special revenue funds. Budgets are adopted for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles (GAAP). All appropriations which are not expended, lapse at year-end.

Compensated Absences

The District has three full-time employees, and has a formal vacation and sick leave policy. The employees are covered under the Federal Insurance Contribution Act.

Use of Estimates in the Preparation of Financial Statements

The preparation of the District's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of June 30, 2009. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are difference from the estimates used in the 2009 financial statements.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Inter-fund Transactions

Permanent reallocation of resources between funds of the reporting entity are classified as inter-fund transfers between individual governmental funds have been eliminated.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The Board then legally adopts the budget. Budgeted amounts included in the accompanying statement are adopted as amended by the Board as of June 30, 2009.

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Excess of Expenditures Over Appropriations

The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2009:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 96,357	\$ 85,420	\$ 88,881	\$ (3,461)

The excess expenditures were covered by available fund balance in the funds.

NOTE 3 CASH AND CASH EQUIVALENTS

The District had cash and cash equivalents (book balances) totaling \$224,311 as of June 30, 2009.

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The 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. At June 30, 2009, the District had \$ 224,869 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance

Even though the pledged securities are considered uncollateralized (GASB Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statutes 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledge securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 CAPITAL ASSETS

<u>Governmental Activities</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets being depreciated: equipment	\$ 70,190	\$ -	\$ -	\$ 70,190
Total assets being depreciated:	<u>70,190</u>	<u>-</u>	<u>-</u>	<u>70,190</u>
Less accumulated depreciation for: equipment	<u>30,964</u>	<u>8,767</u>	<u>-</u>	<u>39,731</u>
Total capital assets after depreciation	<u>\$ 39,226</u>	<u>\$ 8,767</u>	<u>\$ -</u>	<u>\$ 30,459</u>

VERMILION SOIL & WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 RECEIVABLES

Receivables at June 30, 2009, consisted of the following:

	General Fund	Special Revenue	Total
Receivables:			
Farm Bill	\$ 6,071	\$ -	\$ 6,071
NRCS	-	82,848	82,848
Other	<u>7,420</u>	<u>-</u>	<u>7,420</u>
Net receivables	<u>\$ 13,491</u>	<u>\$ 82,848</u>	<u>\$ 96,339</u>

The management of the District believes that all of the receivables are collectible.

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables at June 30, 2009, consisted of the following:

	General Fund	Special Revenue Funds	Total
Accounts payable	\$ 8,406	\$ 45,462	\$ 53,868
Compensated absences	<u>2,719</u>	<u>-</u>	<u>2,719</u>
Totals	<u>\$ 11,125</u>	<u>\$ 45,462</u>	<u>\$ 56,587</u>

NOTE 7 PENSION PLAN

The District contributes to the Parochial Employees' Retirement System of Louisiana: Plan B, a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The Parochial Employees' Retirement System of Louisiana: Plan B provides retirement, disability, and death benefits to plan members and beneficiaries. The provisions of the retirement system may be amended by action of the legislature in the same manner as any other statute may be amended by the legislature. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, (225) 928-1361.

Plan B members are required to contribute 3.0% of their annual covered salary and the District is required to contribute at the actuarially determined rate, currently 6.25% of the annual covered payroll. The District's contributions to the system for the years ended June 30, 2009, 2008, and 2007 were \$4,144, \$3,728, and \$3,438, respectively, equal to the required contribution for each year.

SUPPLEMENTARY INFORMATION

VERMILION SOIL & WATER CONSERVATION DISTRICT

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES				
State appropriations	\$ 51,738	\$ 68,610	\$ 64,610	\$ (4,000)
Interest income	-	2,156	2,822	666
Other revenues	<u>44,619</u>	<u>50,705</u>	<u>39,704</u>	<u>(11,001)</u>
Total revenues	<u>96,357</u>	<u>121,471</u>	<u>107,136</u>	<u>(14,335)</u>
EXPENDITURES				
General government	96,357	85,420	88,881	(3,461)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>96,357</u>	<u>85,420</u>	<u>88,881</u>	<u>(3,461)</u>
Excess of revenues over expenditures	-	36,051	18,255	(17,796)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(100)	(100)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(100)</u>
Net increase in fund balances	-	36,051	18,155	(17,896)
FUND BALANCES				
Beginning of year	<u>203,282</u>	<u>203,282</u>	<u>203,282</u>	<u>-</u>
End of year	<u>\$ 203,282</u>	<u>\$ 239,333</u>	<u>\$ 221,437</u>	<u>\$ (17,896)</u>

VERMILION SOIL & WATER CONSERVATION DISTRICT

Budgetary Comparison Schedule
 Special Revenue Fund
 Year Ended June 30, 2009

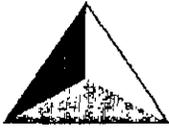
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES				
Federal grants	\$ 385,183	\$ 228,611	\$ 218,066	\$ (10,545)
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>385,183</u>	<u>228,611</u>	<u>218,066</u>	<u>(10,545)</u>
EXPENDITURES				
General government	<u>385,183</u>	<u>210,712</u>	<u>198,342</u>	<u>12,370</u>
Total expenditures	<u>385,183</u>	<u>210,712</u>	<u>198,342</u>	<u>12,370</u>
Excess of revenues over expenditures	-	17,899	19,724	1,825
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	100	100
Total other financing sources (uses)	-	-	100	100
Net increase in fund balances	-	17,899	19,824	1,925
FUND BALANCES				
Beginning of year	<u>25,521</u>	<u>25,521</u>	<u>25,521</u>	<u>-</u>
End of year	<u>\$ 25,521</u>	<u>\$ 43,420</u>	<u>\$ 45,345</u>	<u>\$ 1,925</u>

VERMILION SOIL & WATER CONSERVATION DISTRICT

Compensation Paid to Board Members
Year Ended June 30, 2009

As shown on this schedule, compensation paid to Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana revised Statute 33:405(G), the aldermen are authorized to receive \$35 per month to attend board meetings. All members elected not to accept a per diem.

<u>Board Members</u>	<u>Number</u>	<u>Amount</u>
Ernest Girouard, Jr.	12	\$ -
J. C. Griffin	8	\$ -
Patrick Hebert	10	\$ -
Christian Richard	8	\$ -
Sherrill Sagrera	11	\$ -



Darnall, Sikes, Gardes Frederick.

(A Corporation of Certified Public Accountants)

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors
Vermilion Soil & Water Conservation District
Abbeville, Louisiana

Eugene H Darnall, CPA, Retired 1990

E. Larry Sikes, CPA/PFS, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dschler, MBA, CPA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Pamela Mayeux Bonin, CPA, CVA
Joan B. Moody, CPA
Erich G. Loewer, III, CPA, M.S. TAX
Lauren F. Hebert, CPA
Barbara Ann Watts, CPA
Craig C. Babineaux, CPA/PFS, CFP™

Kathleen T. Darnall, CPA
Michelle B. Hanks, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA
Carol C. Guillory, CPA
Christy S. Dew, CPA
Emily J. LeBoeuf, CPA
Rachel W. Ashford, CPA
Dustin R. Buck, CPA
Veronica LeBleu, CPA
Jacob C. Robette, CPA
Cecilia A. Hoyt, CPA
Blaine M. Crochet, CPA, M.S.

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Vermilion Soil and Water Conservation District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended June 30, 2009, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

We reviewed all cash disbursements and did not identify any purchases for materials and supplies that exceed \$20,000 or for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

2000 Kaliste Saloom Rd
Suite 300
Lafayette, LA 70508
Phone 337 232 3312
Fax 337 237 3614

1231 E. Laurel Ave
Eunice, LA 70535
Phone 337 457 4146
Fax 337 457 5160

1201 Brashear Ave.
Suite 301
Morgan City, LA 70380
Phone 985 384 6264
Fax 985 384 8140

203 S Jefferson Street
Abbeville, LA 70510
Phone 337 893 5470
Fax 337 893 5470

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Society of Louisiana
Certified Public Accountants
www.dsicpas.com

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the adopted original budget and the adopted budget as amended.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget and amended budget to the minutes of a regular meeting, held on June 27, 2008 and June 15, 2009, respectively, which indicated that the budgets were adopted by the Board members of the District.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

We compare the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year exceeded the original budgeted amounts by more than 5%, in the general fund.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that the payment was for the proper amount and made to the correct payee.

- b) determine if payments were properly coded to the correct fund and general ledger account; and
all of the payments were properly coded to the correct fund and general ledger account.

- c) determine whether payments received approval from proper authorities.

- d) inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant.

Meetings

9. Examine evidence indicating that agenda for meetings recorded in the minute book were posted or advertised as required by R.S. 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting and the accompanying agenda on the door of the District's building. Management has asserted that such documents were posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees, or the Board which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

The prior year report, dated December 28, 2008, included two findings regarding:

Finding: 2008-1 Local Government Budget Act

Local Government Budgeting Act R.S. 39:1301-1316 requires the Comptroller (or his/her equivalent) to prepare a budget in a manner that parallels the accounting system and notify the Board in writing during the year when actual revenues fail to meet budgeted revenues by 5% or more, or when actual expenditures exceed budgeted expenditures by 5% or more. Furthermore, R.S. 39:1309 requires the Board to amend the budget upon being notified. Fund structure and account classifications used in the accounting system should be used in developing the budget which will improve the proper monitoring of the budget during the year.

It does not appear the District complied with these requirements. There are several instances of expenditures exceeding budget by 5% or more, with no evidence of notification. The District did not prepare a full budget for the general fund or the special revenue fund. The original budget presented reflected only budgeted expenditures for each fund.

Status:

This finding has not been resolved.

Finding 2008-2 Segregation of Accounting Functions

The District's structure is not conducive to adequate internal accounting controls over financial reporting as it relates to compliance with GASB No. 34 disclosures. Currently, there is not an individual within the District that is charged with the governance to assess the impact of the requirements of GASB No. 34. This situation is due to economic and financial constraints.

Status:

Due to the District's size and operating budget, it is not economically feasible to employ sufficient personnel to ensure adequate segregation of duties.

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

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

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
October 27, 2009

VERMILION SOIL & WATER CONSERVATION DISTRICT

Current Year Findings & Management's
Corrective Action Plan
Year Ended June 30, 2009

During 2009, we noted the following findings and management's response:

09-1 Local Government Budget Act

Finding:

Local Government Budgeting Act LSA-R.S. 39:1301-1316 requires the Comptroller (or his/her equivalent) to prepare a budget in a manner that parallels the accounting system and notify the Board in writing during the year when actual revenues fail to meet budgeted revenues by 5% or more, or when actual expenditures exceed budgeted expenditures by 5% or more. Furthermore, LSA-R.S. 39:1309 requires the Board to amend the budget upon being notified. Fund structure and account classifications used in the accounting system should be used in developing the budget which will improve the proper monitoring of the budget during the year.

It does not appear the District complied with these requirements. There are instances of revenues failed to meet budgeted amounts by 5% or more, with no evidence of notification or amendment.

Management's corrective action plan:

The District's Board will work with the Louisiana Department of Agriculture and Forestry Office of Soil and Water Conversation to provide guidance and monitor the District's budget and intends in the future to comply with the Local Government Budget Act.

09-02 Segregation of Accounting Functions

Finding:

The District's structure is not conducive to adequate internal accounting controls over financial reporting as it relates to compliance with GASB No. 34 disclosures. Currently, there is not an individual within the District that is charged with the governance to assess the impact of the requirements of GASB No. 34. This situation is due to economic and financial constraints.

Management's corrective action plan:

Due to the District's size and operating budget, it is not economically feasible to employ sufficient personnel to ensure adequate segregation of duties. The District will discuss the significance of the disclosures required under GASB No. 34 with the independent accountant and will make the assessment from a cost/benefit relationship to work with the Louisiana Department of Agriculture and Forestry Office of Soil and Water Conservation to ensure that the District complies with requirements of GASB No. 34 to the extent possible.

Louisiana Soil and Water Conservation District Audit and Evaluation Questionnaire

Pursuant to LA R.S. 3:1204 (C) (3), the Audit and Evaluation section of the Department of Agriculture and Forestry will examine or audit the financial statements and supporting documentation of the Vermilion Soil and Water Conservation District for the fiscal year beginning July 1, 2008 and ending June 30, 2009 and the district's compliance with all applicable laws, regulations, and policies and procedures.

Prior to performing the audit and evaluation the District Board of Supervisors is requested to respond to the following questions, for the fiscal year.

1. Please list the following information regarding all individuals who served on the District Board during the Fiscal year.

Name	Address	Phone	Expiration Date of Term
Ernest Girouard	8209 Hwy 13 Kaplan LA 70548	337 643-2648	11/27/2010
J.C. Griffin	12119 Hwy 693 Abbeville LA 70510	337 893-5444	3/31/2009
Patrick Hebert	15905 Lionel Road Abbeville LA 70510	337 643-8571	11/27/2011
Christian Richard	5632 Hwy 700 Kaplan LA 70548	337 536-9993	6/30/2011
Sherrill Sagrera	12139 W Hwy 82 Abbeville LA 70510	337 893-0368	6/30/2010

2. Briefly describe the public services which are provided by the district.

The mismanagement of agriculture processes and soil and water resources results in loss of soil productivity, degradation of water quality and wetlands, and increased flooding. The protection of these basic resources is necessary to protect the health, safety, and general welfare of Louisiana's citizens residing in the district. The mission of the district is to sustain and conserve water quality and soil stability on croplands, woodlands, grasslands, wetlands, and waterways of Louisiana. The district provides technical assistance to landowners and managers to plan and implement conservation practices, and serves as the official local

cooperating agency with the USDA Natural Resources Conservation Service (NRCS) and the State Office of Soil and Water Conservation (OSWC) for landowners to receive state and federal conservation and commodity program benefits. Through this unique federal-state-local partnership, agricultural water quality and soil loss problems are proactively addressed in conjunction with private landowner needs and objectives.

3. Did any employees or board members of the district receive anything of economic value, that is not available to the general public (excluding district employee's compensation and benefits, supervisor per diem and travel reimbursement) for the performance of the duties and responsibilities of his or her office or position from:

The Louisiana Department of Agriculture and Forestry?

Yes _____ No _____

If yes, provide recipient's name and details of the transaction _____

The United States Government?

Yes _____ No _____

If yes, provide recipient's name and details of the transaction _____

The Louisiana State Government other than LDAF?

Yes _____ No _____

If yes, provide recipient's name and details of the transaction _____

Any other source?

Yes _____ No _____

If yes, provide recipient's name and details of the transaction _____

4. Has the district maintained records of fixed assets and movable property as required by

law and applicable rules?

Yes No

If no, explain _____

5. Has the district complied with all fiscal agency and cash management requirements?

Yes No

If no, explain _____

6. Has the district incurred any long-term indebtedness without approval of the State Soil and Water Conservation Committee (SSWCC) or the State Bond Commission?

Yes No

If yes,, explain _____

7. Are financial statements prepared and filed in a timely manner?

Yes No

If no, explain _____

8. Are all the financial statements and all supporting documents and accounting records used to prepare the financial statements maintained in such a manner as to provide compliance with all applicable laws and rules?

Yes No

If no, explain _____

9. Are all records of the district retained for at least three years, as required by state law?
All records of the district are public records and available for review as such, except for records

declared by law not to be available for review by the public.

Yes _____ X _____ No _____

If no, explain _____

10. Is the board of supervisors for the district actively involved in the management and operations of the district?

Yes _____ X _____ No _____

If no, explain _____

11. Does the district prepare an annual budget in compliance with applicable laws?

Yes _____ X _____ No _____

If no, explain _____

12. Does the board of supervisors for the district approve expenditures in accordance with the annual budget?

Yes _____ X _____ No _____

If no, explain _____

13. Are all savings and checking accounts and account numbers disclosed and available for examination by the auditors?

Yes _____ X _____ No _____

If no, explain _____

14. Are checkbooks, deposit tickets, current bank statements and current bank reconciliations for all bank accounts available for examination by the auditors?

Yes No _____

If no, explain _____

15. Is the petty cash fund available for examination by auditors?

Yes _____ No

If no, explain _____ There is no petty cash fund _____

16. Are all recorded assets supported by proper ownership documents?

Yes No _____

If no, explain _____

17. Are accounts and/or notes receivable records current with no material omissions?

Yes No _____

If no, explain _____

18. Are all accounts and/or notes receivable bona fide claims owed to the District?

Yes No _____

If no, explain _____

19. Are all accounts and/or notes receivable collectable in the normal course of business?

Yes No _____

If no, explain _____

20. Are related party (relatives, business associates and businesses in which an employee or board supervisor has an interest) transactions separately disclosed?

Yes _____ X _____ No _____
If no, provide details of any such transactions _____

21. Are any accounts and/or notes receivable pledged as collateral for loan?

Yes _____ No _____ X _____
If yes, explain _____

22. Are all accounts and/or notes receivable valued at amounts expected to be collected?

Yes _____ X _____ No _____
If no, explain _____

23. Are accounts payable records current with no material omissions?

Yes _____ X _____ No _____
If no, explain _____

24. Is there any litigation currently outstanding against the district or any board member in his or her official capacity with the district that could result in a monetary claim against the district or board member(s)?

Yes _____ No X _____

If yes, provide details of the litigation _____

25. Is the district in compliance with State Soil and Water Conservation Committee SSWCC Policy and Procedure Memorandum (PPM) No. 1 prohibiting the employment of relatives of district board and current district employees?

Yes _____ X _____ No _____

If no, explain _____

26. Is the district in compliance with SSWCC PPM No. 1 regarding the employment and termination of District employees?

Yes _____ X _____ No _____

If no, explain _____

27. Is the district in compliance with SSWCC PPM No. 2 regarding the following items?

a. Maintenance of payroll and leave records?

Yes _____ X _____ No _____

If no, explain _____

b. The earning and taken of leave?

Yes _____ X _____ No _____

If no, explain _____

28. Is the district in compliance with SSWCC PPM No. 4 regarding the expenditure of all funds?

Yes No _____

If no, explain _____

29. Is the district in compliance with SSWCC PPM No. 5 regarding travel and subsistence reimbursement?

Yes No _____

If no, explain _____

30. Is the district in compliance with SSWCC PPM No. 6 regarding the following items?

a. Are two or more district supervisors designated as official check signers?

Yes No _____

If no, explain _____

b. Are checks of the district signed either by two supervisors or one supervisor and the district secretary?

Yes No _____

If no, explain _____

c. Are the persons authorized to sign checks for the district covered by a fidelity bond?

Yes No _____

If no, explain _____

31. Is the district in compliance with SSWCC PPM No. 7 regarding compliance with purchasing regulations, bid laws, and laws and regulations for the disposal of district property?

Yes No _____

If no, explain _____

32. Is the district in compliance with SSWCC PPM No. 9 regarding the preparation of minutes of the meetings of the district's board of supervisors?

Yes _____ X _____ No _____
If no, explain _____

33. Is the district in compliance with SSWCC PPM No. 10 pertaining to self-generated funds?

Yes _____ X _____ No _____
If no, explain _____

34. Is the district in compliance with the SSWCC PPM No. 11 pertaining to accounting for special revenue funds?

Yes _____ X _____ No _____
If no, explain _____

35. Are all district supervisors currently in compliance with SSWCC PPM No. 13 regarding the following items?

a. Have all members of the board of supervisors signed an oath of office?
Yes _____ X _____ No _____
If no, provide names and details _____

b. Is the oath of office for each board member on file in the district office and with the Louisiana Secretary of State?

Yes _____ X _____ No _____

b. Is the oath of office for each board member on file in the district office and with the Louisiana Secretary of State?

Yes No

If no, explain _____

36. Have all supervisors attended the SSWCC's supervisors training as required by PPM No. 13?

Yes No

If no, provide names and details _____

37. Is verification that the supervisors completed this training on file in the district office?

Yes No

If no, explain _____ Confirmation of the training is on file in the state office in Baton Rouge. _____

38. Are the district supervisors aware of any occurrences of illegal acts not in conformance with SSWCC's Policies and Procedures Memorandums?

Yes No

If yes, explain _____

The undersigned person, acting with the authority of the district's board of supervisors and as the board's agent, hereby certifies on behalf of the board that the answers to this Louisiana soil and water conservation district audit and evaluation questionnaire are true and correct based on a due and diligent review of the records and affairs of the district.

Signature: Ernest Guiraud
Print Name: Ernest Guiraud
Position: Chairman VSWCA
Date: 9/9/09