

**Terrebonne Parish Veterans'
Memorial District**

Annual Financial Report
As of and for the
Year Ended December 31, 2019

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Annual Financial Report
As of and for the Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Parish Veterans' Memorial District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, 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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Parish Veterans' Memorial District, as of December 31, 2019, and the respective changes in financial position 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 management's discussion and analysis on pages 4 through 8 and the budgetary comparison schedule on page 27 be presented to supplement the basic financial statements. Such information, although not 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.

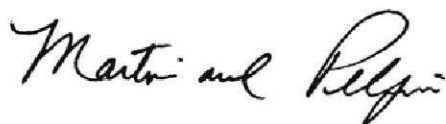
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Terrebonne Parish Veterans' Memorial District's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to District Board President on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to District Board President is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to District Board President is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of the 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 the 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 the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Martin and Pelpin".

Houma, Louisiana
April 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2019

As management of the Terrebonne Parish Veterans' Memorial District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

- Terrebonne Parish Veterans' Memorial District's assets exceeded its liabilities and deferred inflows of resources by \$1,806,565 (net position) as of December 31, 2019.
- Revenues exceeded expenses by \$61,585 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The Terrebonne Parish Veterans' Memorial District's financial statements consist of the following components:

Statement of Net Position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Statement of Activities. Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

Balance Sheet – Governmental Funds. This statement presents the District's assets, liabilities, and fund balances for its general fund and capital projects fund.

Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds. Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

Notes to Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the financial statements.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Management's Discussion and Analysis
December 31, 2019

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$1,806,565 at the close of the most recent year, December 31, 2019. The largest portion of the District's total assets is capital assets, net of accumulated depreciation (86%).

The District's Net Position

	December 31,	
	2019	2018
ASSETS		
Cash	\$ 51,013	\$ 59,909
Investments	105,834	103,488
Other assets	503,372	461,310
Capital assets, net of accumulated depreciation	4,110,678	4,228,600
Total assets	4,770,897	4,853,307
LIABILITIES		
Payables	34,119	32,526
Bonds payable		
Due within one year	180,000	175,000
Due in more than one year	2,235,000	2,415,000
Total liabilities	2,449,119	2,622,526
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes revenue	503,517	474,114
State revenue sharing	11,696	11,687
Total deferred inflows of resources	515,213	485,801
NET POSITION		
Net investment in capital assets	1,695,678	1,638,600
Unrestricted	110,887	106,380
Total net position	\$ 1,806,565	\$ 1,744,980

- Bonds payable accounts for 99% of total liabilities.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Management's Discussion and Analysis
December 31, 2019

BASIC FINANCIAL ANALYSIS (Cont.)

During the year, the District's net position increased by \$61,585. The elements of the increase are as follows:

The District's Change in Net Position

	2019	2018
REVENUES		
Taxes	\$ 474,424	\$ 475,923
Intergovernmental:		
State of Louisiana revenue sharing	11,687	11,763
Rental income	6,500	4,999
Interest income	2,346	1,959
Other	796	2,567
Total revenues	495,753	497,211
EXPENSES		
General government:		
Ad valorem tax deductions	19,226	19,844
Cultural and recreation:		
Other services and charges	205,187	203,940
Depreciation	117,920	68,515
Repairs and maintenance	24,630	37,648
Supplies and materials	11,952	14,179
Interest expense	55,253	57,400
Total expenses	434,168	401,526
CHANGE IN NET POSITION	61,585	95,685
NET POSITION - BEGINNING	1,744,980	1,649,295
NET POSITION - ENDING	\$ 1,806,565	\$ 1,744,980

As indicated above, net assets increased by \$61,585, which indicates revenues were sufficient to cover expenses incurred during the year. The decrease in change in net position from the prior year is primarily due to the increase in depreciation. The increase in depreciation was due to construction in progress being placed into service during the year.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Management's Discussion and Analysis
December 31, 2019

CAPITAL ASSETS

As of December 31, 2019, the District had \$4,110,678 invested in capital assets as follows:

Buildings	\$ 4,314,540
Improvements other than buildings	237,508
Artifacts	82,565
Office furniture, fixtures, and equipment	16,399
	<hr/>
	4,651,012
Less accumulated depreciation	(540,334)
	<hr/>
	<u>\$ 4,110,678</u>

BONDS PAYABLE

Series 2016 limited tax bonds are recorded as liabilities. The total amount of principal paid on these bonds during the year was \$175,000 resulting in an ending balance of \$2,415,000. Interest paid was \$55,253. More detailed information about the bonds is presented in the notes to the financial statements.

BUDGET

The District amended its general fund budget once during the fiscal year. The budget for revenues was \$496,339, and the budget for expenditures was \$484,412.

Revenues

The District's budget for revenues was increased as follows:

Total revenues original budget	\$ 495,464
Total revenues revised budget	496,339
	<hr/>
	<u>\$ 875</u>

The District's general fund budgeted revenues were \$1,361 more than actual revenues, an unfavorable variance of 0.27%.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Management's Discussion and Analysis
December 31, 2019

Expenditures

The District's budget for expenditures was decreased as follows:

Total expenditures original budget	\$ 484,912
Total expenditures revised budget	484,412
	<u>\$ (500)</u>

The District's actual expenditures were \$6,836 more than the budgeted expenditures, a 2.69% unfavorable variance.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with such an interest. Call the District's office at (985) 873-6459, attention Kandace Mauldin, Chief Financial Officer, Terrebonne Parish Consolidated Government, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

FINANCIAL STATEMENTS

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Statement of Net Position
December 31, 2019

	Government Activities
ASSETS	
Current assets	
Cash	\$ 51,013
Investments	105,834
Due from other governmental units	281,514
Taxes receivable	200,264
Other assets	21,594
Total current assets	660,219
Capital assets, net of accumulated depreciation of \$540,334	4,110,678
TOTAL ASSETS	4,770,897
LIABILITIES	
Current liabilities	
Accounts payable	15,156
Interest payable	18,963
	34,119
Bonds payable	
Due within one year	180,000
Due after one year	2,235,000
	2,449,119
TOTAL LIABILITIES	2,449,119
DEFERRED INFLOWS OF RESOURCES	
Ad valorem taxes revenue	503,517
State revenue sharing	11,696
	515,213
TOTAL DEFERRED INFLOWS OF RESOURCES	515,213
NET POSITION	
Net investment in capital assets	1,695,678
Unrestricted	110,887
	1,806,565
TOTAL NET POSITION	\$ 1,806,565

See accompanying notes.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Statement of Activities
For the Year Ended December 31, 2019

	Government Activities
REVENUES	
Taxes	\$ 474,424
Intergovernmental:	
State of Louisiana revenue sharing	11,687
Rental income	6,500
	492,611
TOTAL REVENUES	
EXPENSES	
Current:	
General government:	
Ad valorem tax deductions	19,226
Cultural and recreation:	
Other services and charges	205,187
Depreciation	117,920
Repairs and maintenance	24,630
Supplies and materials	11,952
	378,915
TOTAL EXPENSES	
NET REVENUE	113,696
GENERAL REVENUES	
Interest earned	2,346
Other	796
	3,142
TOTAL GENERAL REVENUES	
OTHER EXPENSES	
Interest expense	55,253
	55,253
CHANGE IN NET POSITION	
	61,585
NET POSITION	
Beginning of year	1,744,980
End of year	\$ 1,806,565

See accompanying notes.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 3,896	\$ 47,117	\$ 51,013
Investments	70,874	34,960	105,834
Due from other governmental units	281,514	-	281,514
Taxes receivable	200,264	-	200,264
Other assets	21,594	-	21,594
TOTAL ASSETS	\$ 578,142	\$ 82,077	\$ 660,219
LIABILITIES			
Accounts payable	\$ 15,140	\$ 16	\$ 15,156
DEFERRED INFLOWS OF RESOURCES			
Ad valorem taxes revenue	503,517	-	503,517
State revenue sharing	11,696	-	11,696
TOTAL DEFERRED INFLOWS OF RESOURCES	515,213	-	515,213
FUND BALANCE			
Nonspendable	21,594	-	21,594
Restricted	-	82,061	82,061
Unassigned	26,195	-	26,195
TOTAL FUND BALANCE	47,789	82,061	129,850
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 578,142	\$ 82,077	\$ 660,219

See accompanying notes.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 474,424	\$ -	\$ 474,424
Intergovernmental			
State of Louisiana revenue sharing	11,687	-	11,687
Rental Income	6,500	-	6,500
Other	2,367	775	3,142
	494,978	775	495,753
EXPENDITURES			
Current:			
General government			
Ad valorem tax deductions	19,226	-	19,226
Culture and recreation			
Other services and charges	205,187	-	205,187
Repairs and maintenance	24,630	-	24,630
Supplies and materials	11,952	-	11,952
Total culture and recreation	241,769	-	241,769
Debt service			
Principal	-	175,000	175,000
Interest	-	55,253	55,253
	260,995	230,253	491,248
EXCESS OF REVENUES OVER EXPENDITURES	233,983	(229,478)	4,505
OTHER FINANCING SOURCES (USES)			
Transfers in	-	230,253	230,253
Transfers out	(230,253)	-	(230,253)
	(230,253)	230,253	-
NET CHANGE IN FUND BALANCES	3,730	775	4,505
FUND BALANCES			
Beginning of year	44,059	81,286	125,345
End of year	\$ 47,789	\$ 82,061	\$ 129,850

See accompanying notes.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
December 31, 2019

Total fund balance - total governmental funds	\$ 129,850
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$4,651,012 net of accumulated depreciation of \$540,334 are not financial resources and, therefore, are not reported in the funds."	4,110,678
Outstanding limited tax bonds of \$2,415,000 and associated interest payable of \$18,963 are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,433,963)</u>
Total net position of governmental activities	<u>\$ 1,806,565</u>

See accompanying notes.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balances – Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2019

Change in fund balances - governmental funds	\$	4,505
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, whereas in the statement of activities, these costs are depreciated over their estimated useful lives.

Depreciation expense		(117,920)
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The issuance of long-term debt provides current financial resources to governmental funds. This transaction has no effect on net position.

Principal payments of bonds		<u>175,000</u>
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Change in net position of governmental activities	\$	<u><u>61,585</u></u>
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See accompanying notes.

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Terrebonne Parish Veterans' Memorial District (the District) complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the District's accounting policies are described below.

A. REPORTING ENTITY

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2019. GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

- 1) Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell, and lease property in its own name.
- 2) Whether the District appoints a majority of the board members of the potential component unit.
- 3) Fiscal interdependency between the District and the potential component unit.
- 4) Imposition of will by the District on the component unit.
- 5) Financial benefit/burden relationship between the District and the potential component unit.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

B. BASIS OF PRESENTATION

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Fund Financial Statements:

The daily accounts and operations of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major 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 and is not reported as a major fund.

Capital Projects Fund- The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, and renovation of major capital facilities and is reported as a major fund.

C. MEASUREMENT FOCUS AND 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.

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meet the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2019 property taxes which are being levied to finance the 2020 budget will be recognized as revenue in 2020. The 2019 tax levy is recorded as unearned revenue (deferred inflows of resources) in the District's 2019 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

D. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the District's General Fund and Capital Project Fund. Prior to adoption of the budget, approval of the Terrebonne Parish Council must be first obtained (R.S. 33:9357).

Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District's Board with prior approval by the Terrebonne Parish Council. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The District's General Fund budget was amended once during the fiscal year.

The General Fund budget presentation is included in the required supplemental information.

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. ACCOUNTS RECEIVABLE

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

G. CAPITAL ASSETS

The accounting treatment over capital assets depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased, or acquired, with an original cost of \$1,000 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an 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	20 - 40 years
Improvements other than buildings	5 - 50 years
Office furniture, fixtures, and equipment	5 years
Artifacts	5 years

Fund Financial Statements:

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.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

H. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the debt is reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

All long debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of limited tax bonds.

Fund Financial Statements:

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 payments of principal and interest reported as expenditures.

I. VACATION AND SICK LEAVE

The District has no employees. There is no accumulated unpaid vacation and sick leave as of December 31, 2019.

J. FUND EQUITY

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any.

Restricted – Consists of components of net position 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.

Unrestricted – All other components of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- 1) Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally contractually required to maintain intact.
- 2) Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- 3) Unassigned- is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

NOTE 2 – DEPOSITS AND INVESTMENTS

Bank 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 another state in the Union, or the laws of the United States Treasury.

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balance deposits is as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	\$ 1,442	\$ 1,442

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2019, none of the District's bank balance of \$1,442 was exposed to credit risk as these amounts were covered by FDIC insurance.

The District also has monies held in a cash and investment pool maintained by the Parish and available for use by all funds. The District's cash portion of this pool, \$49,571 at December 31, 2019, is included on the Statement of the Net Position and Government Fund Balance Sheet as "Cash". These funds are held and invested by the Parish who has proper pledging to cover

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

funds for the District.

As of December 31, 2019, such cash deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District and the Parish, respectively. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the District to invest in the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements and the Louisiana Asset Management Pool.

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy limits investments to securities maturing less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.* Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns. The District's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

LAMP, is administered by LAMP, Inc., a non-profit corporation organized under the laws of State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 92 days as of December 31, 2019.
- Foreign currency risk: Not applicable.

The investment in LAMP is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investment in LAMP as of December 31, 2019 amounted to \$105,834 and is classified on the Statement of Net Position as "Investments".

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

A reconciliation of deposits and investments as shown on the statement of Net Position is as follows:

Reported amount of deposits	\$	51,013
Reported amount of investments		105,834
	\$	156,847
Cash and cash equivalents	\$	51,013
Investments		105,834
	\$	156,847

NOTE 3 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2019 consisted of the following:

Terrebonne Parish Sheriff's Office (Tax Collector) - December 2019 collections remitted to the District in January 2020:		
Ad valorem taxes	\$	269,493
State revenue sharing		3,899
State of Louisiana -		
State revenue sharing		8,122
Total	\$	281,514

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2019 is as follows:

	Balance January 1, 2019	Additions	Reclassifications/ Deletions	Balance December 31, 2019
Capital assets not being depreciated:				
Construction in progress	\$ 1,941,616	\$ -	\$ (1,941,616)	\$ -
Capital assets being depreciated:				
Buildings	2,372,924	1,941,616	-	4,314,540
Improvements other than buildings	237,508	-	-	237,508
Office furniture, fixtures, and equipment	16,399	-	-	16,399
Artifacts	82,565	-	-	82,565
Total capital assets being depreciated	<u>2,709,396</u>	<u>1,941,616</u>	<u>-</u>	<u>4,651,012</u>
Less accumulated depreciation for:				
Buildings	(323,155)	(107,862)	-	(431,017)
Improvements other than buildings	(32,323)	(7,866)	-	(40,189)
Office furniture, fixtures, and equipment	(2,410)	(1,733)	-	(4,143)
Artifacts	(64,526)	(459)	-	(64,985)
Total accumulated depreciation	<u>(422,414)</u>	<u>(117,920)</u>	<u>-</u>	<u>(540,334)</u>
Total capital assets being depreciated, net	<u>2,286,982</u>	<u>1,823,696</u>	<u>-</u>	<u>4,110,678</u>
Total capital assets, net	<u>\$ 4,228,598</u>	<u>\$ 1,823,696</u>	<u>\$ (1,941,616)</u>	<u>\$ 4,110,678</u>

Depreciation expense of \$117,920 was recorded as a cultural and recreation expense for the year ended December 31, 2019.

NOTE 5 – LONG-TERM DEBT

As of December 31, 2019, the District had outstanding limited tax bonds, Series 2016, totaling \$2,415,000 bearing interest at a rate of 2.26% per year. These bonds are repayable through March 1, 2031 from ad valorem tax revenues.

The following is a summary of changes in long-term debt for the year ended December 31, 2019:

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 5 – LONG-TERM DEBT (Cont.)

Bonds payable as of January 1, 2019	\$ 2,590,000
Principal payment on bonds payable	<u>(175,000)</u>
Bonds payable as of December 31, 2019	<u>\$ 2,415,000</u>

The annual requirements to amortize long-term debt outstanding as of December 31, 2019 are as follows:

Year	Principal	Interest	Total
2020	\$ 180,000	\$ 51,876	\$ 231,876
2021	180,000	48,337	228,337
2022	185,000	44,638	229,638
2023	190,000	40,734	230,734
2024	195,000	36,624	231,624
2025-2029	1,035,000	114,875	1,149,875
2030-2031	450,000	10,947	460,947
	<u>\$ 2,415,000</u>	<u>\$ 348,031</u>	<u>\$ 2,763,031</u>

NOTE 7 – COMPENSATION OF BOARD MEMBERS

No compensation was paid to board members for the year ended December 31, 2019.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 15, 2020, which is the date the financial statements were available to be issued. It was determined that the following events require disclosure:

On January 30, 2020, the World Health Organization declared the COVID-19 “Coronavirus” outbreak a public health emergency. The virus rapidly spread from China to regions across the globe, eventually reaching the United States of America. As of the date of these financial statements, the United States’ governing bodies implemented drastic measures in an effort to slow the spread of the virus, including mandatory quarantining of certain areas of the population. Such efforts will likely have a negative impact on the local economy in which the District operates. No estimate of the financial effects of this event can be made at this time, but it is possible that taxpayers who fund the District’s primary source of revenues, ad valorem taxes, will suffer financial hardship due to this global pandemic, resulting in potential difficulty in paying their property taxes.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
For the Year Ended December 31, 2019

NOTE 8 – SUBSEQUENT EVENTS (Cont.)

On August 18, 2019, the Terrebonne Parish Veterans' Memorial District (the District) entered into a Cooperative Endeavour Agreement (CEA) with Terrebonne Parish Consolidated Government (TPCG) in connection with the District receiving properties valued at \$22,600 to be used as additional parking space for the museum as a donation from TPCG. The CEA contained certain terms and conditions that had to be satisfied in order for the donation to be finalized. One such term imposed a 240-day time period in which all other requirements were to be fulfilled. Since the terms of the of the CEA extended beyond year-end and all conditions were not met until 2020, said donation will be recorded in the District's Government-wide financial statements for the year ending December 31, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

**Terrebonne Parish Veteran's Memorial District
Terrebonne Parish Consolidated Government**

Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 474,114	\$ 474,424	\$ 474,424	\$ -
Intergovernmental:				
State of Louisiana - revenue sharing	11,800	11,687	11,687	-
Other	9,550	10,228	8,867	(1,361)
TOTAL REVENUES	<u>495,464</u>	<u>496,339</u>	<u>494,978</u>	<u>(1,361)</u>
EXPENDITURES				
Current				
General government:				
Ad valorem tax deductions	15,974	15,925	19,226	(3,301)
Culture and recreation:				
Other services and charges	192,385	206,351	205,187	1,164
Repairs and maintenance	25,000	20,070	24,630	(4,560)
Supplies and materials	11,300	11,813	11,952	(139)
Capital outlay	10,000	-	-	-
TOTAL EXPENDITURES	<u>254,659</u>	<u>254,159</u>	<u>260,995</u>	<u>(6,836)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 240,805</u>	<u>\$ 242,180</u>	<u>\$ 233,983</u>	<u>\$ (8,197)</u>

See Independent Auditor's Report.

OTHER INFORMATION

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Schedule of Compensation, Benefits, and Other Payments
to District Board President
Year Ended December 31, 2019

Agency Head: Mr. Ken Royston, President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - retirement	-
Reimbursements	-
Travel	-
Special meals	-
	<u>\$ -</u>

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Martin
and
Pellegrin**

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Houma, Louisiana 70360

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**INDEPENDENT AUDITOR'S 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
Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government
Houma, 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 and each major fund of Terrebonne Parish Veterans' Memorial District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 15, 2020.

Internal Control Over Financial Reporting

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

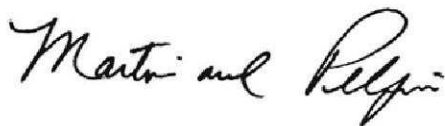
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Houma, Louisiana
April 15, 2020

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Schedule of Findings and Responses
For the Year Ended December 31, 2019

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Terrebonne Parish Veterans' Memorial District.
2. No deficiencies in internal control over financial reporting were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were disclosed during the audit of the financial statements.
5. A management letter was not issued.
6. The District did not receive or expend federal funds during the year.

Section II – Financial Statement Findings

No findings related to the Terrebonne Parish Veterans' Memorial District, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section III –Federal Awards

No federal awards were received during the year.

**Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government**

Schedule of Prior Findings and Responses
For the Year Ended December 31, 2019

Note: All prior findings relate to the December 31, 2018 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

No findings related to the Terrebonne Parish Veterans' Memorial District's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit. No compliance findings material to the basic financial statements were noted during the audit.

Section II – Internal Control and Compliance Material to Federal Awards

The Terrebonne Parish Veterans' Memorial District did not receive federal awards during the year ended December 31, 2018.

Section III – Management Letter

A management letter was not issued.

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Terrebonne Parish Veterans' Memorial District (the District), a component unit of the Terrebonne Parish Consolidated Government, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are described on pages 34-45.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Houma, Louisiana
April 15, 2020

**Terrebonne Parish Veterans' Memorial District
Houma, Louisiana**

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

The required procedures and our findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and inspected the District's written policy for budgeting.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained and read the written policy for purchasing and found it to contain the elements included above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions

Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Terrebonne Parish Veterans' Memorial District
Houma, Louisiana

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

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

Performance: Obtained and read the written policy for payroll and personnel, noting that the District does not employ any workers.

Exceptions: There were no exceptions.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for contracting and found it contained all listed requirements.

Exceptions: There were no exceptions.

Management's response: Not applicable.

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

Performance: Obtained management's representation that the District does not own or utilize any such cards.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy

**Terrebonne Parish Veterans' Memorial District
Houma, Louisiana**

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

Performance: Obtained and read the written ethics policy, and found it contained all requirements listed above, except as noted below.

Exceptions: The policy does not address actions to be taken if an ethics violation takes place, nor does it address a system for monitoring possible violations.

Management's response: Management will consider adding this requirement to the policy.

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

Performance: Obtained and read the debt service policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: The District does not have a written policy which addresses the above.

Exceptions: The District does not have a Disaster Recovery/Business Continuity policy.

Management's response: Management will consider adding this policy to its list of policies.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

**Terrebonne Parish Veterans' Memorial District
Houma, Louisiana**

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

- c) For governmental entities obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Performance: Determined that the District met with a quorum monthly, that minutes of the meetings referenced the required material, and that the entity does not have a negative unassigned fund balance.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Inspected documentation for evidence of bank reconciliations being prepared within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected documentation for management approval of each bank reconciliation.

Exceptions: While minutes of the meetings note that bank reconciliations are reviewed by the board, there was no evidence of such review.

Terrebonne Parish Veterans' Memorial District
Houma, Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

Management's response: Management will consider signing bank reconciliations upon reviewing them.

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

Performance: Determined that there were no outstanding reconciling items that were more than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Collections

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

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

Performance: In relation to procedures 5a through 5d, inspected policy manuals and inquired of client, noting that the District does not collect cash payments. All of its revenues are received through electronic fund transfers.

Exceptions: Not applicable.

Management's response: Not applicable.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Performance: Inspected policy manuals and inquired of client to determine if employees with access to cash are covered by a bond or insurance policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Randomly select two deposit dates for each of the entity's bank accounts. Obtain supporting documentation for each of the deposits (maximum of ten deposits) and:

- a) Observe that receipts are sequentially pre-numbered
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: In relation to procedures 7a through 7e, inspected policy manuals and inquired of client, noting that the District does not collect cash payments. All of its revenues are received through electronic fund transfers.

Exceptions: Not applicable.

Management's response: Not applicable.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: In relation to procedures 8 through 9d, inspected policy manuals and inquired of client, noting that the District does not have any employees; rather, the District pays Terrebonne Parish Consolidated Government (primary government) a monthly fee to provide accounting for its operations, including disbursements. The board of the District serves as an oversight role.

Exceptions: Not applicable.

Management's response: Not applicable.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

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Performance: Performed procedures as prescribed in item 10a. As noted above, procedure 10b is not applicable, since the District contracts its accounting services.
Exceptions: No exceptions were noted.
Management's response: Not applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Performance: Determined that the procedures under numbers 11-13 could be excluded as the District does not utilize any credit cards, debit cards, fuel cards or P-cards.
Exceptions: Not applicable.
Management's response: Not applicable.

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Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Performed procedures 14 through 14d for the two travel reimbursements that occurred during the fiscal year.
Exceptions: No exceptions were noted.
Management's response: Not applicable.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

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- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Performed procedures 15 through 15d for the District's three contracts in effect during the fiscal year.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Determined that the procedures under numbers 16-19 could be excluded, as the District did not have any employees during the fiscal year.

Ethics

20. Obtain ethics documentation for five randomly selected employees/officials from management, and:

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

Performance: Determined that five randomly selected board members completed one hour of ethics training during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Performance: Determined whether five randomly selected board members attested through signature verification that he/she read the ethics policy during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Debt Service

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

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Performed the procedures under numbers 21 and 22 above for the District's one outstanding debt obligation.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Other

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

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Observed such notice posted on the premises. Further, while the District does not have its own website, such notice was found posted on the Terrebonne Parish Consolidated Government's website, of which the Veterans' Memorial District is a component unit.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.