

**VETERANS MEMORIAL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**VETERANS MEMORIAL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
*As of and for the Year Ended December 31, 2019*

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**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2019. When read in conjunction with the notes to the financial statements, financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year of operations:

- Assets exceeded liabilities by \$ 2,751,171 (net position), a slight decrease of 1% from the prior year.
- Total net position is comprised of the following:
  - (1) Net Investment in capital assets of \$1,905,309 including facilities and equipment, net of accumulated depreciation.
  - (2) Unrestricted net position of \$845,862 representing the balance available to fund programs and activities for veterans and the community.
- Total spending for all governmental activities was \$540,866; there were no program revenues. The general revenues used to offset the shortfall for program expenses were \$515,642.
- The governmental funds reported ending fund balance of \$845,862; all unassigned.
- Total revenue reported for all governmental funds was \$515,642 and expenditures were \$435,029, including \$13,749 of capital expenditures. This resulted in the net change in fund balance for the year in the amount of \$80,613.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government-wide Financial Statements – the Statement of Net Position and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Fund Financial Statements- the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

***Government-Wide Financial Statements (GWFS)***

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

***Fund Financial Statements (FFS)***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The District utilizes the governmental type of fund with the following accounting approach. The basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The FFS provide a detailed short-term view of the general government operations and the basic services provided. This information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (GWFS) and governmental funds (FFS) in reconciliation at the bottom of the fund financial statements.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

**FINANCIAL ANALYSIS AS A WHOLE**

The Statements of Net Position includes all of the assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility.

To begin our analysis, a condensed summary of the Statement of Net Position is presented in the following table:

<b>Condensed Statement of Net Position</b>	<b>2018</b>	<b>2019</b>	<b>Dollar Change</b>
Current and Other Assets	\$ 1,337,201	\$1,420,947	\$ 83,746
Capital Assets	2,011,146	1,905,309	(105,837)
<b>Total Assets</b>	<b>3,348,347</b>	<b>3,326,256</b>	<b>(22,091)</b>
Current Liabilities	17,067	16,418	(649)
<b>Deferred inflows of resources</b>	<b>554,885</b>	<b>558,667</b>	<b>3,782</b>
Investment in Capital Assets	2,011,146	1,905,309	(105,837)
Unrestricted	765,249	845,862	80,613
<b>Total Net Position</b>	<b>\$ 2,776,395</b>	<b>\$2,751,171</b>	<b>\$ (25,224)</b>

Approximately \$2 million or 69% of the net position reflects the investment in capital assets (monument, pool, and water fountain cost, land improvements and equipment) less any related outstanding debt outstanding used to acquire those assets.

Net assets decreased by \$25,224 or 1% by the end of the year. The table following provides a summary of the changes in net position:

<b>Condensed Statement of Activities</b>	<b>2018</b>	<b>2019</b>	<b>Dollar Change</b>
Capital Grants and Contributions	\$ -	\$ -	\$ -
<b>Program Expenses:</b>			
Current	386,620	421,280	34,660
Depreciation	121,066	119,586	1,480
<b>Total program expenses</b>	<b>507,686</b>	<b>540,866</b>	<b>33,180</b>
<b>Net program income</b>	<b>(507,686)</b>	<b>(540,866)</b>	<b>(33,180)</b>
General revenues	544,180	515,642	(28,538)
<b>Change in Net Position</b>	<b>36,494</b>	<b>(25,224)</b>	<b>(61,718)</b>
<b>Net Position:</b>			

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

Beginning of the year	2,739,901	2,776,395	36,494
End of the year	\$ 2,776,395	\$2,751,171	\$ (25,224)

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the financing requirement. In particular, *unassigned fund balance* may serve as a useful measure of the net resources available for spending.

The General Fund ended the year with a fund balance of \$845,862, all considered unassigned. During the year the General Fund recorded \$507,734 in ad valorem tax revenues. The District expended \$421,280 in current expenditures, the largest amount of that was for maintenance costs of grounds and monuments (\$274,463). Capital outlay purchases of \$13,749 were made for equipment.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Revenues are budgeted based on historic trends. Expenditures are budgeted based on the previous adopted levy. There were no budget amendments to the original budget during the year. All variances were favorable and in compliance with State and Local Budget Laws.

**CAPITAL ASSETS**

The investment in capital assets, net of accumulated depreciation, for governmental activities was as follows:

	2019	2018
Land	\$ 230,000	\$ 230,000
Monument	886,465	886,465
Building	440,064	440,064
Monument Cost	347,444	347,444
Improvements	485,418	485,418
Equipment	291,244	277,495
Office Equipment	17,493	17,493
Total Cost	2,698,128	2,684,379
Accumulated Depreciation	792,819	673,234
Net Capital Assets	\$ 1,905,309	\$ 2,011,145

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

Depreciation Expense	<u>\$ 119,586</u>	<u>\$ 121,066</u>
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Additions to capital assets were \$13,749. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

***NEXT YEAR'S BUDGET***

Highlights of next year's 2020 adopted budget follows:

<b>Beginning Fund Balance</b>	<b>\$ 513,000</b>
<b>Projected Revenue</b>	<b>493,300</b>
<b>Projected Expenditures:</b>	
Current	(642,100)
Capital outlay	<u>(223,200)</u>
Total Expenditures	<u>(865,300)</u>
<b>Ending Fund Balance</b>	<b><u>\$ 141,000</u></b>

***CONTACTING FINANCIAL MANAGEMENT***

This financial report is designed to provide a general overview of the Veterans Memorial District finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Larry Raymond, Treasurer  
16937 Hwy 3235  
Cut Off, LA 70345  
985-632-4317

# ***FINANCIAL SECTION***





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## Independent Auditor's Report

To the Board of Commissioners,  
Veterans Memorial District  
Larose, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2019, and the notes to the financial statements, which collectively comprise the 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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.

To the Board of Commissioners,  
Veterans Memorial District  
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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund 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.

### ***Required Supplementary Information***

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



To the Board of Commissioners,  
Veterans Memorial District  
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***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the 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 Agency Head are 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 a report dated May 21, 2020 on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
May 21, 2020



**VETERANS MEMORIAL DISTRICT**

**Statement of Net Position**

December 31, 2019

**ASSETS**

Cash	\$	821,226
Deposits		1,062
Taxes receivable		151,742
Due from Tax Collector - ad valorem taxes		393,051
Prepaid Expenses		53,866
Capital Assets, Net of Accumulated Depreciation		1,905,309
<b>TOTAL ASSETS</b>		<u><u>3,326,256</u></u>

**LIABILITIES**

Accounts Payable		16,418
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**DEFERRED INFLOWS OF RESOURCES**

Subsequent year - property taxes		558,667
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**NET POSITION**

Net investment in capital assets		1,905,309
Unrestricted		845,862
<b>TOTAL NET POSITION</b>	<b>\$</b>	<u><u>2,751,171</u></u>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Statement of Activities**  
For the Year Ended December 31, 2019

		<b>Program Revenues:</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expenses) Revenue</b>
<b>Governmental Activities</b>				
Professional Fees	\$ 8,000	\$ -	\$ -	(\$8,000)
Secretary Cost	2,173	-	-	(2,173)
Transportation Cost	78,670	-	-	(78,670)
Veteran Programs	14,315	-	-	(14,315)
Repairs and Maintenance	274,463	-	-	(274,463)
Insurance	14,321	-	-	(14,321)
Advertisement	2,200	-	-	(2,200)
Supplies	6,192	-	-	(6,192)
Taxes and Licenses	20,946	-	-	(20,946)
Depreciation	119,586	-	-	(119,586)
<b>Total Governmental Activities</b>	<b>\$ 540,866</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(540,866)</b>
<b>General Revenues:</b>				
				507,734
				7,908
			<b>Total General Revenues</b>	<b>515,642</b>
<b>Change in Net Position</b>				<b>(25,224)</b>
<b>Net Position:</b>				
				2,776,395
				<b>\$ 2,751,171</b>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Balance Sheet - Governmental Funds-General Fund**  
December 31, 2019

**ASSETS**

Cash and Cash equivalents	\$ 821,226
Receivables:	
Taxes receivable	151,742
Due from tax collector	393,051
Prepaid Expenses	53,866
Deposits	1,062
<b>TOTAL ASSETS</b>	<b><u>\$ 1,420,947</u></b>

**LIABILITIES**

Accounts payable	\$ 16,418
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**DEFERRED INFLOWS OF RESOURCES**

Subsequent year - property taxes	558,667
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**FUND EQUITY**

Fund Balances:	
Unassigned	845,862
<b>TOTAL FUND EQUITY</b>	<b><u>845,862</u></b>

<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b><u>\$ 1,420,947</u></b>
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**RECONCILIATION TO THE STATEMENT OF NET POSITION:**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

	Capital Assets	2,698,128
	Accumulated Depreciation	<u>(792,819)</u>
		1,905,309
<b>Net position of governmental activities</b>		<b><u>\$ 2,751,171</u></b>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2019

	<b>General Fund</b>
<b>REVENUES</b>	
Ad Valorem Taxes	\$ 507,734
Miscellaneous	7,908
<b>Total Revenues</b>	<b>515,642</b>
<b>EXPENDITURES</b>	
Current - Health & Community Services:	
Professional Fees	8,000
Secretary Cost	2,173
Transportation Cost	78,670
Maintenance & Grounds	274,463
Insurance	14,321
Advertisement	2,200
Veteran Programs	14,315
Supplies	6,192
Utilities	20,946
Total Current	421,280
Capital Outlay	13,749
<b>Total Expenditures</b>	<b>435,029</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>80,613</b>
<b>FUND BALANCE</b>	
Beginning of year	765,249
End of year	<b>\$ 845,862</b>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2019

<b>Net change in fund balances - governmental funds</b>		<b>\$ 80,613</b>
 Amounts reported for <i>governmental activities</i> in the Statement of Activities (government-wide financial statements) are different because:		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives and reported as depreciation expense.		
Capital outlay	\$ 13,749	
Depreciation expense	<u>(119,586)</u>	
Amount by which depreciation exceeded capital outlays		<u>(105,837)</u>
 <b>Change in net assets of governmental activities</b>		 <b><u>\$ (25,224)</u></b>

See notes to financial statements.



## **VETERANS MEMORIAL DISTRICT**

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

The Veterans' Memorial District of Ward 10 of Lafourche Parish was created by the Legislature of Louisiana in its Regular Session, 2005 by R.S. 33:9356. The governing authority shall consist of a Board of 9 Commissioners who are electors domiciled in Ward 10 of Lafourche Parish, and a minimum of six members shall be honorable discharged veterans' posts in Ward 10, one member each selected and appointed by the Lafourche Parish President, State Senator representing District 20, and State Representative representing District 54 serving different terms. A board member may be removed for cause by the Lafourche Parish Council.

The Board has the powers and duties of a governing body as provided by law, except the approval of the Lafourche Parish Council must first be obtained prior to any of the following actions by the Board:

- Adoption of annual budget
- Purchase, sale, or encumbrance of immovable property
- Submitting for voter approval a proposed renewal or increase in ad valorem taxes
- Any other matter or action as determined by ordinance adopted by the Lafourche Parish Council.

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A.      Reporting Entity**

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Government, the general government services provided by that governmental unit, or any other governmental reporting entity. The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Lafourche Parish Government.

**VETERANS MEMORIAL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**B.      Basic Financial Statements – Basis of Presentation**

The basic financial statements include both government-wide (reporting as a whole) and fund financial statements (reporting major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the health and community service activity is classified as governmental activity.

**Government-Wide Financial Statements (GWFS)**

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Net position is reported in three categories—net invested in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of functions and activities. These functions are also supported by general government revenues (ad valorem taxes and interest earned). The Statement of Activities reduces gross expenses (including depreciation) 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.

The net costs (by function) are normally covered by general revenue (ad valorem taxes and interest earned). This government-wide focus is more on the sustainability of the entity and the change in net assets resulting from the current year's activities.

**Fund Financial Statements (FFS)**

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**VETERANS MEMORIAL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**B.      Basic Financial Statements – Basis of Presentation (continued)**

**Fund Financial Statements (continued)**

**Governmental Funds**

Governmental funds account for all of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance.

In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

**C.      Measurement Focus / Basis of Accounting**

*Fund Financial Statements (FFS)*

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered available if they are collected within 60 days after the fiscal year end.

## **VETERANS MEMORIAL DISTRICT**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Measurement Focus / Basis of Accounting (continued)**

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes are recorded as revenue in the period for which levied, thus the 2018 property taxes which were levied to finance the 2019 budget are recognized as revenue in 2019. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable or available until received.

**Expenditures** – The major expenditures current supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

#### *Government-Wide Financial Statements (GWFS)*

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

**VETERANS MEMORIAL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**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 Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, allowed for public participation in the budget process since budgeted expenditures exceeded \$500,000. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that 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 budget was not amended during the current year.

**F. Cash and deposits**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**G. Receivables**

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

# VETERANS MEMORIAL DISTRICT

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

## **Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

### **H. Deferred Inflows of Resources**

GASB Statements 63 and 65 provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources which defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively.

### **I. Capital Assets**

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

### **J. Restricted Net Assets**

For government-wide statement of net position, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

### **K. Fund Equity**

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance cannot be spent because of its form.
- Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed fund balance is a limitation imposed by the Board through approval in minutes.
- Assigned fund balances is a limitation imposed by a designee of the Board.

## **VETERANS MEMORIAL DISTRICT**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **K.      Fund Equity (continued)**

- Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

### **Note 2      DEPOSITS**

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2019, the reported amount of deposits was \$821,226 and the bank balance was \$821,226.

Custodial credit risk is the risk that in an event of a bank failure, the deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District has \$571,226 exposed to custodial credit risk and securities pledged to cover those deposits.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

### **Note 3      AD VALOREM TAXES**

In 2013 the voters approved to renew a ninety-four hundredths (.94) mills tax on all of the property subject to taxation in Ward 10 for a period of 10 years beginning in the year 2014 and ending with the year 2023, for the purpose of providing funds to construct, improve, maintain and operate memorials, halls, buildings and facilities within the District upon sites owned, leased or made available to the District and acquiring equipment and furnishings therefor for the use of veterans, nonveterans and patriotic, fraternal, or benevolent associations of such persons.

## **VETERANS MEMORIAL DISTRICT**

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

### **Note 3 AD VALOREM TAXES (continued)**

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2016.

Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

The 2018 property tax levy is recognized as revenue in fiscal 2019. The 2019 property tax levy is recognized as a receivable in fiscal 2019 because it is the intent of the Board to use these taxes to fund 2019 operations. The tax rate for each of the years ended December 31, 2018 and 2019 was \$0.94 per \$1,000 of assessed valuation on property within Lafourche Parish Veterans Memorial District for constructing and maintaining a monument and the retirement of general long term debt, principal, interest, and related costs for the District.

### **Note 4 COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2019.

### **Note 5 DUE FROM OTHER GOVERNMENTAL UNITS**

The amounts due from other governmental units consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted in January 2020.



## VETERANS MEMORIAL DISTRICT

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

### Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

<b>Governmental activities</b>	<b>Balance 12/31/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/19</b>
Land	\$ 230,000	\$ -	\$ -	\$230,000
Monument	886,465	-	-	886,465
Buildings & Improvements	440,064	-	-	440,064
Water Fountain & Pond	347,444	-	-	347,444
Improvements-other than Building	485,418	-	-	485,418
Equipment-Machinery & Vehicles	277,495	13,749	-	291,244
Equipment-Office	17,493	-	-	17,493
<b>Total Assets</b>	<b>2,684,379</b>	<b>13,749</b>	<b>-</b>	<b>2,698,128</b>

Less accumulated depreciation:

Monument	260,500	36,515	-	297,015
Buildings & Improvements	107,556	17,457	-	125,012
Water Fountain & Pond	59,567	12,952	-	72,519
Improvements-other than Building	99,298	21,160	-	120,458
Equipment-Machinery & Vehicles	131,200	30,770	-	161,970
Equipment-Office	15,112	732	-	15,844
<b>Totals</b>	<b>673,233</b>	<b>119,586</b>	<b>-</b>	<b>792,819</b>
<b>Capital assets, net</b>	<b>\$2,011,146</b>			<b>\$1,905,309</b>

Depreciation expense for the year was \$119,586 recorded as governmental activities. Additions to capital assets were \$13,749 and no disposals.

### Note 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

***REQUIRED SUPPLEMENTAL  
INFORMATION***

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**VETERANS MEMORIAL DISTRICT**  
**Budget Comparison Schedule**  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>	(no amendments)			
Ad Valorem Taxes	\$ 529,955	\$ 529,955	\$ 507,734	(\$22,221)
Miscellaneous	-	-	7,908	7,908
Total Revenues	<u>529,955</u>	<u>529,955</u>	<u>515,642</u>	<u>(14,313)</u>
<b>EXPENDITURES:</b>				
Current:				
Professional Fees	13,500	13,500	10,173	3,327
Transportation Cost	95,000	95,000	78,670	16,330
Veterans Programs	32,000	32,000	14,315	17,685
Repairs and Maintenance	418,000	418,000	274,463	143,537
Insurance	26,000	26,000	14,321	11,679
Advertising & Promotion	3,000	3,000	2,200	800
Supplies	48,000	48,000	6,192	41,808
Utilities	32,000	32,000	20,946	11,054
Total Current	667,500	667,500	421,280	246,220
Capital Outlay	270,000	270,000	13,749	256,251
Total Expenditures	<u>937,500</u>	<u>937,500</u>	<u>435,029</u>	<u>502,471</u>
<b>NET CHANGE IN FUND BALANCE</b>	(407,545)	(407,545)	80,613	488,158
<b>FUND BALANCE:</b>				
Beginning of year	33,200	33,200	765,249	268,789
End of year	<u>(\$374,345)</u>	<u>(\$374,345)</u>	<u>\$845,862</u>	<u>\$756,947</u>

## ***OTHER INFORMATION***

**VETERANS MEMORIAL DISTRICT**

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2019

**Agency Head Name: Mr. Linton Doucet, Board President**

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

*This form is used to satisfy the supplemental reporting requirement of R.S. 24:513(A)(3)*

***REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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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,  
Veterans Memorial District  
Larose, LA

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 the major fund of the Veterans Memorial District, a component unit of the Lafourche Parish Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 21, 2020.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the internal controls.

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

May 21, 2020  
Thibodaux, Louisiana





***VETERANS MEMORIAL DISTRICT***

**Statewide Agreed Upon  
Procedures Report  
With Schedule of Findings  
and Management's Responses**

***As of and for the Year Ending  
December 31, 2019***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## AGREED-UPON PROCEDURES REPORT

Veterans Memorial District

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

For the Period January 1, 2019 – December 31, 2019

To the Board Members of the  
Veterans Memorial District and  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Veterans Memorial District (the District) 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 results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - 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.
  - c) **Disbursements**, including processing, reviewing, and approving

- 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 (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- 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 (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019). The Board and management is working on formulating a disaster recovery/business continuity policy.*

### **Board or Finance Committee**

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- 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### ***Bank Reconciliations***

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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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - 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 (e.g., initialed and dated, electronically logged); and
  - 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, if applicable.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### ***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 5 deposit sites (or all deposit sites if less than 5).
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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - 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 (e.g. pre-numbered receipts) 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.
  - 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.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 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 10 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.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 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 (if the agency has no written policies and procedures, inquire of employees about their 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.
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 5 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 (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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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 5 cards (or all cards if less than 5) 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, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - 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).

**Results:** *These procedures are not applicable. The District had no credit cards.*



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

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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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 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](http://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.

**Results:** *This procedure is not applicable. The District had no travel reimbursements.*

### ***Contracts***

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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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) 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).
  - 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 5 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.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*



## ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 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 5 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). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - 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.
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.

**Results:** *The District has no employees, therefore these procedures are not applicable. We obtained management's representation that the District had no employees.*

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - 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.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*





## **Debt Service**

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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.

**Results:** *These procedures are not applicable. The District has no debt.*

## **Other**

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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.
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.

**Results:** *The District did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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 LLA as a public document.

*Stagni & Company*

Thibodaux, LA  
May 6, 2020



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STAGNI & COMPANY, LLC

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