

**VETERANS MEMORIAL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

VETERANS MEMORIAL DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2021

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VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021. 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 \$ 2,784,315 (net position), a slight increase of 2.6% from the prior year.
- Total net position is comprised of the following:
 - (1) Net Investment in capital assets of \$1,798,930 including facilities and equipment, net of accumulated depreciation.
 - (2) Unrestricted net position of \$985,385 representing the balance available to fund programs and activities for veterans and the community.
- Total spending for all governmental activities was \$479,007; there were no program revenues. The general revenues used to offset the shortfall for program expenses were \$549,463.
- The governmental funds reported ending fund balance of \$985,385, all unassigned.
- Total revenue reported for all governmental funds was \$574,434 and expenditures were \$515,261, including capital expenditures of \$135,528. This resulted in the net change (increase) in fund balance for the year in the amount of \$59,173.

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, 2021

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 to veterans 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, 2021

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:

	2020	2021	Dollar Change
Current and Other Assets	\$ 1,492,960	\$1,399,903	\$ (93,057)
Capital Assets	1,787,647	1,798,930	11,283
Total Assets	<u>3,280,607</u>	<u>3,198,833</u>	<u>(81,774)</u>
Current Liabilities	8,126	47,811	39,685
Deferred inflows of resources	558,622	366,707	(191,915)
Investment in Capital Assets	1,787,647	1,798,930	11,283
Unrestricted	926,212	985,385	59,173
Total Net Position	<u><u>\$ 2,713,859</u></u>	<u><u>\$2,784,315</u></u>	<u><u>\$ 70,456</u></u>

Approximately \$1.8 million or 65% of the net position reflects the investment in capital assets (monument, pool, and water fountain cost, land improvements and equipment). The current assets decreased by a little over 5% for cash used to pay off expenditures of the district. The current liabilities increased for payables accrued at the end of the year. The deferred inflows of resources decreased substantially by over 30% for the decrease in property taxes assessed on the 2021 levy.

Net position increased by \$70,456 or 2.6% by the end of the year. The table following provides a summary of the changes in net position:

	2020	2021	Dollar Change
Capital Grants and Contributions	\$ -	\$ -	\$ -
Program Expenses:			
Current	443,802	364,011	(79,791)
Depreciation	117,662	114,996	2,666
Total program expenses	<u>561,464</u>	<u>479,007</u>	<u>(82,457)</u>

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

Net program income	(561,464)	(479,007)	82,457
General revenues	524,152	549,463	25,311
Change in Net Position	<u>(37,312)</u>	<u>70,456</u>	<u>107,768</u>
Net Position:			
Beginning of the year	<u>2,751,171</u>	<u>2,713,859</u>	<u>(37,312)</u>
End of the year	<u><u>\$ 2,713,859</u></u>	<u><u>\$2,784,315</u></u>	<u><u>\$ 70,456</u></u>

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 \$985,385, all considered unassigned. During the year the General Fund recorded \$549,006 in ad valorem tax revenues, an increase of 5% from the prior year. The District expended \$364,096 in current expenditures, the largest amount of that was for maintenance costs of grounds and monuments (\$238,108). Capital outlay purchases were \$135,528 for monuments and 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:

	<u>2020</u>	<u>2021</u>
Land	\$ 230,000	\$ 230,000
Monument	886,465	944,465
Building	440,064	440,064
Monument Cost	347,444	347,444
Improvements	485,418	485,418
Equipment	291,244	312,399

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

Office Equipment	17,493	17,493
Total Cost	2,698,128	2,777,283
Accumulated Depreciation	910,481	978,353
Net Capital Assets	<u>\$ 1,787,647</u>	<u>\$ 1,798,930</u>
Depreciation Expense	<u>\$ 117,662</u>	<u>\$ 114,996</u>

There were \$135,528 of additions and \$56,373 of deletions to capital assets. 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 2022 budget adopted on December 16, 2021 follows:

Beginning Fund	
Balance	\$ 723,776
Projected Revenue	405,000
Projected Expenditures:	
Current	(748,750)
Capital outlay	<u>(220,000)</u>
Total Expenditures	<u>(968,750)</u>
Ending Fund Balance	<u>\$ 160,206</u>

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Veterans Memorial District (the District), a component unit of Lafourche Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's 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 statement that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 as listed in the table of contents 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2022, on our consideration of the 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 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 internal control over financial reporting and compliance.

Stagni & Company

May 10, 2022
Thibodaux, Louisiana



VETERANS MEMORIAL DISTRICT

Statement of Net Position

December 31, 2021

ASSETS

Cash and Cash equivalents	\$	1,032,134
Deposits		1,062
Property Taxes receivable		366,707
Due from Tax Collector - ad valorem taxes		-
Capital Assets, Net of Accumulated Depreciation		1,798,930
TOTAL ASSETS		<u><u>3,198,833</u></u>

LIABILITIES

Accounts Payable		47,811
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DEFERRED INFLOWS OF RESOURCES

Property taxes levied for the next fiscal year		366,707
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NET POSITION

Net investment in capital assets		1,798,930
Unrestricted		985,385
TOTAL NET POSITION	\$	<u><u>2,784,315</u></u>

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues:		
Governmental Activities	Expenses	Charges for Services	Capital Grants and Contributions	Net (Expenses) Revenue
Professional Fees	\$ 5,000	\$ -	\$ -	(\$5,000)
Secretary Cost	2,777	-	-	(2,777)
Transportation Cost	58,334	-	-	(58,334)
Veteran Programs	5,723	-	-	(5,723)
Repairs and Maintenance	238,023	-	-	(238,023)
Insurance	16,936	-	-	(16,936)
Advertisement	1,111	-	-	(1,111)
Supplies	13,587	-	-	(13,587)
Taxes and Licenses	22,520	-	-	(22,520)
Depreciation	114,996	-	-	(114,996)
Total Governmental Activities	\$ 479,007	\$ -	\$ -	(479,007)
General Revenues:				
				549,006
				457
			Total General Revenues	549,463
Change in Net Position				70,456
Net Position:				
				2,713,859
				\$ 2,784,315

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
Balance Sheet - Governmental Funds-General Fund
December 31, 2021

ASSETS

Cash and Cash equivalents	\$ 1,032,134
Receivables:	
Property Taxes receivable	366,707
Due from tax collector	-
Deposits	1,062
TOTAL ASSETS	<u>\$ 1,399,903</u>

LIABILITIES

Accounts payable	\$ 47,811
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DEFERRED INFLOWS OF RESOURCES

Property taxes levied for the next fiscal year	366,707
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FUND EQUITY

Fund Balances:	
Unassigned	985,385
TOTAL FUND EQUITY	<u>985,385</u>

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	2,777,283	
Accumulated Depreciation	(978,353)	
	1,798,930	
Net position of governmental activities		<u>\$ 2,784,315</u>

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, 2021

	General Fund
REVENUES	
Ad Valorem Taxes	\$ 549,006
Proceeds from Sale of Assets	24,971
Miscellaneous	457
Total Revenues	574,434
EXPENDITURES	
Current - General government:	
Ad valorem tax deduction	15,637
Current - Health & Community Services:	
Professional Fees	5,000
Secretary Cost	2,777
Transportation Cost	58,334
Maintenance & Grounds	238,108
Insurance	16,936
Advertisement	1,111
Veteran Programs	5,723
Supplies	13,587
Utilities	22,520
Total Current	364,096
Capital Outlay	135,528
Total Expenditures	515,261
NET CHANGE IN FUND BALANCE	59,173
FUND BALANCE	
Beginning of year	926,212
End of year	\$ 985,385

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, 2021

Net change in fund balances - governmental funds		\$ 59,173
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	\$ 135,528	
The net effect of various transactions involving capital asset disposals	(239,241)	
Depreciation expense	<u>114,996</u>	
		<u>11,283</u>
Change in net assets of governmental activities		<u><u>\$ 70,456</u></u>

See notes to financial statements.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021

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, 2021

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, 2021

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 2020 property taxes which were levied to finance the 2021 budget are recognized as revenue in 2021. 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, 2021

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, 2021

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. Fund Equity

For government-wide financial statements net position is classified and displayed in three components:

1. Net invested 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.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested 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.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Fund Equity (continued)

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. 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, 2021, the reported amount of deposits was \$1,032,134 and the bank balance was \$1,035,118.

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 \$785,118 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.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 AD VALOREM TAX REVENUE

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 therefore for the use of veterans, nonveterans and patriotic, fraternal, or benevolent associations of such persons.

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, 2020. 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 2020 property tax levy is recognized as revenue in fiscal 2021. The 2021 property tax levy is recognized as deferred in fiscal 2021 because it is the intent of the Board to use these taxes to fund 2022 operations. The tax rate for each of the years ended December 31, 2020 and 2021 was \$0.99 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. The assessed values of real property upon which 2020 property tax were based was \$564,261,544.

Note 4 PROPERTY TAXES RECEIVABLE - DUE FROM TAX COLLECTOR

The Lafourche Parish Sheriff collects and remits property taxes on behalf of all taxing districts in their respective jurisdictions. Property taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2021

**Note 4 PROPERTY TAXES RECEIVABLE - DUE FROM TAX COLLECTOR
(continued)**

Due to Hurricane Ida, all property assessments in Lafourche Parish was adjusted and payment on the 2021 levy is due by May 31, 2022. Therefore the entire 2021 levy is recorded as a property tax receivable and a deferred outflow of resources of \$366,707.

The tax rate for the year ended December 31, 2021 – for revenue to be recognized in 2022 was .99 mills of assessed valuation on property within the District. The assessed values of real property upon which the 2021 property taxes are based on is \$370,408,277.

Note 5 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 2021.

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Land	\$ 230,000	\$ -	\$ -	\$230,000
Monument	886,465	58,000	-	944,465
Buildings & Improvements	440,064	-	-	440,064
Water Fountain & Pond	347,444	-	-	347,444
Improvements-other than Building	485,418	-	-	485,418
Equipment-Machinery & Vehicles	291,244	77,528	(56,373)	312,399
Equipment-Office	17,493	-	-	17,493
Total Assets	\$2,698,128	135,528	(56,373)	\$2,777,283

Less accumulated depreciation:

Monument	333,529	36,837	-	370,367
Buildings & Improvements	142,469	17,457	-	159,926
Water Fountain & Pond	85,465	12,946	-	98,410
Improvements-other than Building	141,617	21,159	-	162,777
Equipment-Machinery & Vehicles	190,843	26,075	(47,125)	169,793
Equipment-Office	16,558	522	-	17,080
Totals	910,481	114,996	(47,125)	978,353
Capital assets, net	\$1,787,647			\$1,798,930

Depreciation expense for the year was \$114,996 recorded as governmental activities. There were no additions to capital assets and no disposals.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2021

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***

VETERANS MEMORIAL DISTRICT
Budget Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES:	(no amendments)			
Ad Valorem Taxes	\$ 474,655	\$ 474,655	\$ 549,006	\$74,351
Proceeds from Sale of Assets	-	-	24,971	24,971
Miscellaneous	-	-	457	457
Total Revenues	<u>474,655</u>	<u>474,655</u>	<u>574,434</u>	<u>99,779</u>
EXPENDITURES:				
Current:				
Professional Fees	12,500	12,500	23,414	(10,914)
Transportation Cost	101,000	101,000	58,334	42,666
Veterans Programs	55,000	55,000	5,723	49,277
Repairs and Maintenance	350,000	350,000	238,108	111,892
Insurance	20,000	20,000	16,936	3,064
Advertising & Promotion	3,500	3,500	1,111	2,389
Supplies	49,000	49,000	13,587	35,413
Utilities	30,000	30,000	22,520	7,480
Total Current	621,000	621,000	379,733	241,267
Capital Outlay	374,200	374,200	135,528	238,672
Total Expenditures	<u>995,200</u>	<u>995,200</u>	<u>515,261</u>	<u>479,939</u>
NET CHANGE IN FUND BALANCE	(520,545)	(520,545)	59,173	579,718
FUND BALANCE:				
Beginning of year	553,563	553,563	926,212	268,789
End of year	<u>\$33,018</u>	<u>\$33,018</u>	<u>\$985,385</u>	<u>\$848,507</u>

OTHER INFORMATION

VETERANS MEMORIAL DISTRICT

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head Name: Mr. Van Kurt Chouest, Board President

Purpose	Amount
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

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, 2021, 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 10, 2022.

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 10, 2022
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, 2021***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

Veterans Memorial District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 – December 31, 2021

To Mr. Van Kurt Chouest, President
Board of Commissioners and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Veterans Memorial District (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, 2021 through December 31, 2021. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results 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 if applicable to public funds and the District'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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the 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) **Information Technology 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: *The District's written policies address all of the above functions if applicable except noted as follows:*

- 1) *The District's Receipts/Collections policy does not address segregation of duties with regard to recording of receipts in the general ledger;*
- 2) *The District's Contracting policy does not reference standard terms and conditions or legal review;*
- 3) *The District has no policy for Information Technology Disaster Recovery;*
- 4) *The District's policy for Sexual Harassment does not mention annual employee training or annual reporting.*



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, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
 - 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.

Results: *There were no exceptions noted.*

Bank Reconciliations

3. Obtain a listing of District bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District'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 each selected 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 or 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: *Management identified the main operating account as the only bank account. We inspected the December 2021 bank statement and reconciliation and observed the evidence and documentation listed. There was no evidence that a member of management/Board member reviewed the reconciliation. No other exception was noted.*



Collections (excluding electronic funds transfers)

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).

Results: *A listing of deposit sites (1) was obtained with management's representation that the listing was complete. The deposit site was selected.*

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/official verifies the reconciliation.

Results: *This procedure is not applicable; no cash is collected*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results: *A copy of the bond or insurance policy for theft was obtained by management and appeared to be enforced during the fiscal period.*

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 and the cash is stored securely in a locked safe or drawer).



- e) Trace the actual deposit per the bank statement to the general ledger.

Results: *We randomly selected two deposit dates for the 1 bank account selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the 2 deposits and:*

- a) *Pre-numbered receipts is not applicable as cash is not collected.*
- b) *All of the documentation were traced to the deposit slips, no exceptions noted.*
- c) *All of the deposit slip details agreed to the deposit per the bank, no exceptions noted.*
- d) *All of the deposits were made within one business day of receipt, no exceptions noted.*
- e) *All of the actual deposits per the bank statement agreed to the general ledger, no exceptions noted.*

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 5 locations (or all locations if less than 5).

Results: *We obtained management’s representation that the District has one disbursement location.*

- 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.

Results: *We obtained a listing of employees who perform non-payroll disbursement functions and the policies that address the four areas listed above. A bookkeeper processes all checks and records deposits at the District office. A volunteer secretary processes invoices and adds vendors. Invoices are approved by the Board. No exceptions resulted from these procedures.*

- 10. For each location selected under #8 above, obtain the general ledger of 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 itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the District.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.



Results: We obtained the general ledger population of non-payroll disbursements and management's representation that the population was complete.

- a) Five disbursements were randomly selected and matched the invoices and supporting documentation with no exception.
- b) The documentation included evidence that showed duties were segregated according to the written policy.

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.

Results: This procedure is not applicable; the District has no credit cards.

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 (or electronically approved), 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.

Results: This procedure is not applicable; the District has no credit cards.

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).

For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: This procedure is not applicable; the District has no credit cards.



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 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, observe that the approved reimbursement rate is no more than 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.

Results: *This procedure is not applicable. The District has no employees and none of the Board members received travel reimbursements.*

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. *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 and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - 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 had no contracts that were either initiated or renewed during the fiscal year. The procedure is not applicable.*



Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: *The procedure is not applicable; the District has no employees.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a 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 or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: *The procedure is not applicable; the District has no employees.*

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to District policy.

Results: *The procedure is not applicable; the District has no employees.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: *The procedure is not applicable; the District has no employees.*

Ethics

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 District maintains documentation which demonstrates each employee and official were notified of any changes to the District's ethics policy during the fiscal period, as applicable.

Results: *Records show 2 of 5 of the Board members did not complete the required annual ethics training. There were no changes to the ethics policies during the fiscal period.*

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: *The District has no outstanding debt; therefore this procedure is not applicable.*

Fraud Notice

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 District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled.

Results: *Management has represented that there were no misappropriations of public funds or assets during the fiscal period.*

24. Observe that the District 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 notice is posted on the premises as required by R.S. 24:523.1.*

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a. Obtain and inspect the most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.



- b. Obtain and inspect the most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: *We performed the procedure and discussed the results with management. No exceptions were noted.*

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: *The District has no employees, however the requirement does apply to its Board members. One of the Board member received the required hour of training during the calendar year.*

27. Observe that the District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).

Results: *The District has posted its Sexual Harassment policy as required.*

28. Obtain the District's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Results: *The District did not file an annual report. There were no complaints received by the District, therefore there were none in which a finding occurred and none which resulted in disciplinary or corrective action.*



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
June 2, 2022



STAGNI & COMPANY, LLC
