

**VETERANS MEMORIAL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

VETERANS MEMORIAL DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
FINANCIAL SECTION	
Independent Auditor's Report	6
Basic Financial Statements:	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances-Governmental Funds to the Statement of Activities	13
<i>Notes to the Financial Statements</i>	14
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary Comparison Schedule	23
OTHER INFORMATION	
Schedule of Compensation, Benefits and Other Payments To Agency Head	24
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS	
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 <i>Government Auditing Standards</i>	25
Schedule of Current Year Findings	27

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

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, 2017. 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 \$ 2,739,901 (net position), an increase of 5% from the prior year.
- Total net position is comprised of the following:
 - (1) Net Investment in capital assets of \$2,065,019 including facilities and equipment, net of accumulated depreciation.
 - (2) Unrestricted net position of \$674,882 representing the balance available to fund programs and activities for veterans and the community.
- Total spending for all governmental activities was \$455,402; there were no program revenues. The general revenues used to offset the shortfall for program expenses were \$594,978.
- The governmental funds reported ending fund balance of \$674,882; all unassigned.
- Total revenue reported for all governmental funds was \$594,978 and expenditures were \$379,531, including \$42,193 of capital expenditures. This resulted in the net change in fund balance for the year in the amount of \$215,447.

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, 2017

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, 2017

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:

Condensed Statement of Net Position			Dollar
	2016	2017	Change
Current and Other Assets	\$ 1,123,506	\$1,248,564	\$ 125,058
Capital Assets	2,140,890	2,065,019	(75,871)
Total Assets	2,687,675	3,313,583	49,187
Current Liabilities	3,981	8,896	4,915
Deferred inflows of resources	660,090	564,786	(95,304)
Investment in Capital Assets	2,140,890	2,065,019	(75,871)
Unrestricted	459,435	674,882	215,447
Total Net Position	\$ 2,600,325	\$2,739,901	\$ 139,576

Approximately \$2 million or 75% 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 \$139,576 or 16% by the end of the year. The table following provides a summary of the changes in net position:

Condensed Statement of Activities			Dollar
	2016	2017	Change
Capital Grants and Contributions	\$ -	\$ -	\$ -
Program Expenses:			
Current	401,924	337,338	(64,586)
Depreciation	81,150	118,064	(36,914)
Total program expenses	483,074	455,402	(27,672)
Net program income	(483,074)	(455,402)	27,672
General revenues	649,488	594,978	(54,510)
Change in Net Position	166,414	139,576	(26,838)
Net Position:			
Beginning of the year	2,433,911	2,600,325	166,414

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

End of the year	\$ 2,600,325	\$2,739,901	\$ 139,576
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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 \$674,882, all considered unassigned. During the year the General Fund recorded \$592,552 in ad valorem tax revenues. The District expended \$379,531 in current expenditures, the largest amount of that was for maintenance costs of grounds and monuments (\$226,422). Capital outlay purchases of \$42,193 were made for property improvements, pool repairs, equipment and monument improvements (such as a statue and artwork for statue).

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:

	2016	2017
Land	\$ 230,000	\$ 230,000
Land Improvements	856,927	878,465
Equipment	428,251	440,064
Monument Cost	347,444	347,444
Building	485,418	485,418
Water Fountain	242,412	251,254
Office Supplies	17,493	17,493
Total Cost	2,607,945	2,650,138
Accumulated Depreciation	467,055	585,119
Net Capital Assets	\$ 2,140,890	\$ 2,065,019

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

	\$	
Depreciation Expense	\$ 81,150	118,064

Additions to capital assets were \$42,193. 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 2018 adopted budget follows:

Beginning Fund	
Balance	\$ 395,800
Projected Revenue	530,100
Projected Expenditures:	
Current	(628,000)
Capital outlay	(264,700)
Total Expenditures	<u>(892,700)</u>
Ending Fund Balance	<u>\$ 33,200</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 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, 2017, 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
Page 2

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, 2017, 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
Page 3

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 April 14, 2018, 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
April 14, 2018



VETERANS MEMORIAL DISTRICT

Statement of Net Position

December 31, 2017

ASSETS

Cash	\$	676,677
Deposits		1,062
Taxes receivable		158,012
Due from Tax Collector - ad valorem taxes		406,774
Prepaid Insurance		6,039
Capital Assets, Net of Accumulated Depreciation		2,065,019
TOTAL ASSETS		<u>3,313,583</u>

LIABILITIES

Accounts Payable		4,584
Unearned revenue-ad valorem taxes		4,312
TOTAL LIABILITIES		<u>8,896</u>

DEFERRED INFLOWS OF RESOURCES

Subsequent year - property taxes		564,786
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NET POSITION

Net investment in capital assets		2,065,019
Unrestricted		674,882
TOTAL NET POSITION	\$	<u>2,739,901</u>

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
Statement of Activities
For the Year Ended December 31, 2017

	Expenses	Program Revenues:		Net
		Charges for	Capital Grants and	(Expenses)
Governmental Activities		Services	Contributions	Revenue
Professional Fees	\$ 4,000	\$ -	\$ -	(\$4,000)
Secretary Cost	2,075	-	-	(2,075)
Transportation Cost	60,143	-	-	(60,143)
Veteran Programs	11,559	-	-	(11,559)
Repairs and Maintenance	226,422	-	-	(226,422)
Insurance	10,853	-	-	(10,853)
Advertisement	1,024	-	-	(1,024)
Supplies	1,596	-	-	(1,596)
Taxes and Licenses	19,666	-	-	(19,666)
Depreciation	118,064	-	-	(118,064)
Total Governmental Activities	\$ 455,402	\$ -	\$ -	(455,402)
General Revenues:				
Ad Valorem Taxes				592,552
Miscellaneous				2,426
			Total General Revenues	594,978
Change in Net Position				139,576
Net Position:				
Beginning				2,600,325
Ending				\$ 2,739,901

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
 Balance Sheet - Governmental Funds-General Fund
 December 31, 2017

ASSETS

Cash and Cash equivalents	\$ 676,677
Receivables:	
Taxes receivable	158,012
Due from tax collector	406,774
Prepaid Insurance	6,039
Deposits	1,062
TOTAL ASSETS	<u><u>\$ 1,248,564</u></u>

LIABILITIES

Accounts payable	\$ 4,584
Unearned revenue-ad valorem taxes	4,312
TOTAL LIABILITIES	<u>8,896</u>

DEFERRED INFLOWS OF RESOURCES

Subsequent year - property taxes	564,786
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FUND EQUITY

Fund Balances:	
Unassigned	674,882
TOTAL FUND EQUITY	<u>674,882</u>

TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE \$ 1,248,564

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	2,650,138
	Accumulated Depreciation	<u>(585,119)</u>
		2,065,019
Net position of governmental activities		<u><u>\$ 2,739,901</u></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, 2017

	General Fund
REVENUES	
Ad Valorem Taxes	\$ 592,552
Miscellaneous	2,426
Total Revenues	594,978
 EXPENDITURES	
Current - Health & Community Services:	
Professional Fees	4,000
Secretary Cost	2,075
Transportation Cost	60,143
Maintenance & Grounds	226,422
Insurance	10,853
Advertisement	1,024
Veteran Programs	11,559
Supplies	1,596
Utilities	19,666
Total Current	337,338
Capital Outlay	42,193
Total Expenditures	379,531
NET CHANGE IN FUND BALANCE	215,447
 FUND BALANCE	
Beginning of year	459,435
End of year	\$ 674,882

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, 2017

Net change in fund balances - governmental funds **\$ 215,447**

Amounts reported for *governmental activities* 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	\$ 42,193	
Depreciation expense	<u>(118,064)</u>	
Amount by which depreciation exceeded capital outlays		<u>(75,871)</u>

Change in net assets of governmental activities **\$ 139,576**

See notes to financial statements.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2017

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, 2017

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, 2017

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, 2017

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 2016 property taxes which were levied to finance the 2017 budget are recognized as revenue in 2017. 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, 2017

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, 2017

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:

CATEGORY	LIFE
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, 2017

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, 2017, the reported amount of deposits was \$676,677 and the bank balance was \$676,500.

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 \$426,500 exposed to custodial credit risk and securities pledged of \$736,558.

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-eight hundredths (.98) 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, 2017

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 2016 property tax levy is recognized as revenue in fiscal 2017. The 2017 property tax levy is recognized as a receivable in fiscal 2018 because it is the intent of the Board to use these taxes to fund 2018 operations. The tax rate for each of the years ended December 31, 2016 and 2017 was \$0.98 and \$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, 2017.

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 2018.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
Land	\$ 230,000	\$ -	\$ -	\$230,000
Monument	856,927	21,538	-	878,465
Buildings & Improvements	428,251	11,813	-	440,064
Water Fountain & Pond	347,444	-	-	347,444
Improvements-other than Building	485,418	-	-	485,418
Equipment-Machinery & Vehicles	242,412	8,842	-	251,254
Equipment-Office	17,493	-	-	17,493
Total Assets	2,607,945	42,193	-	2,650,138

Less accumulated depreciation:

Monument	188,322	35,774	-	224,096
Buildings & Improvements	72,679	17,420	-	90,099
Water Fountain & Pond	33,639	12,964	-	46,603
Improvements-other than Building	56,979	21,160	-	78,139
Equipment-Machinery & Vehicles	102,461	29,341	-	131,802
Equipment-Office	12,975	1,405	-	14,380
Totals	467,055	118,064	-	585,119
Capital assets, net	\$2,140,890			\$2,065,019

Depreciation expense for the year was \$118,064 recorded as governmental activities. Additions to capital assets were \$42,193.

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, 2017

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final (no amendments)		
REVENUES:				
Ad Valorem Taxes	\$ 554,139	\$ 554,139	\$ 592,552	\$ 38,413
Miscellaneous	-	-	2,426	2,426
Total Revenues	<u>554,139</u>	<u>554,139</u>	<u>594,978</u>	<u>40,839</u>
EXPENDITURES:				
Current:				
Professional Fees	21,000	21,000	6,075	14,925
Transportation Cost	110,000	110,000	60,143	49,857
Veterans Programs	32,000	32,000	11,559	20,441
Repairs and Maintenance	398,000	398,000	226,422	171,578
Insurance	22,000	22,000	10,853	11,147
Advertising & Promotion	3,500	3,500	1,024	2,476
Supplies	44,500	44,500	1,596	42,904
Utilities	32,000	32,000	19,666	12,334
Total Current	663,000	663,000	337,338	325,662
Capital Outlay	<u>331,200</u>	<u>331,200</u>	<u>42,193</u>	<u>289,007</u>
Total Expenditures	994,200	994,200	379,531	614,669
NET CHANGE IN FUND BALANCE	(440,061)	(440,061)	215,447	655,508
FUND BALANCE:				
Beginning of year	450,865	450,865	459,435	268,789
End of year	<u>\$ 10,804</u>	<u>\$ 10,804</u>	<u>\$ 674,882</u>	<u>\$ 924,297</u>

OTHER INFORMATION

VETERANS MEMORIAL DISTRICT

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017

Agency Head Name: Mr. Linton Doucet, 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, 2017, 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 April 14, 2018.

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.

To the Board of Commissioners
Veterans Memorial District
Page 2

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

April 14, 2018
Thibodaux, Louisiana



Veterans Memorial District
Schedule of Current Year Findings
For the Year Ended December 31, 2017

Section I - Summary of Auditor's Reports

- The independent auditor's report expresses an unmodified opinion on the basic financial statements.
- No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements. No material weaknesses are reported.
- No instances of noncompliance, required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
- The District neither received nor expended any federal awards during the year.
- A management letter was issued in connection with this audit.

Section II - Financial Statement Findings

- There were no findings during the audit of the basic financial statements.

Section III - Federal Award Findings and Questioned Costs

- There were no federal award findings during the audit of the basic financial statements.



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, 2017***



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, 2017 – December 31, 2017

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, 2017 through December 31, 2017. 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

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - 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.



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- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts**, including receiving, recording, and preparing deposits.
- 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, and (5) monitoring card usage.
- 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) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the District address all of the applicable functions listed above.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: The District Board met monthly. The minutes do reference budget-to-actual comparisons on the General Fund. The minutes reference approvals of bids, contracts and material purchases.



Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched items that have been outstanding for more than 6 months reconciling as of the end of the fiscal period.

Results: We selected all (1) bank account and obtained bank statements and reconciliations. Bank reconciliations and statements provided for each month, and there was written evidence that a Board member reviewed each reconciliation.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary



ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: There was only one (1) collection location for testing. Duties were segregated per the policy. The person responsible for collecting cash was not responsible for reconciling cash collections to the general ledger. The District has a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. All deposits tested were deposited the same or next day. All of the deposits tested had supporting documentation.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Results: The District has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained from management a disbursement listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:



- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We obtained supporting documentation for 25 disbursements. The criteria in steps 9(a), 9(b) and 9(c) were met for all 25 disbursements tested.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: The persons responsible for processing payments are prohibited from adding vendors to the District's disbursement system. The contract bookkeeper processes payments, the Treasurer for the Board is authorized to add vendors to the purchasing system.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were identified as a result of these procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions were identified as a result of these procedures.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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: The District does not maintain any such cards and we obtained management's representation that there are none.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: This procedure is not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: This procedure is not applicable.



Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: The District had no travel or expense reimbursements for the year. We obtained management's representation that there were none.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: This procedure is not applicable.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: This procedure is not applicable.



Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained the general ledger and filtered for contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: For the 4 contracts selected, a formal written contract supports the arrangement and the amounts paid. None of the contracts selected was subject to public bid law. For the largest payment from each of the contracts selected for testing, the supporting invoice and related payment complied with the terms and conditions of the contract. Two of the 4 contracts selected for testing was properly approved according to policy and the approval was reported in the board minutes.

Management's Response: The Board policy states that before any contract can be executed, the contract must be (1) recommended for approval in writing; and (2) presented to the board for approval and documented in the Board Minutes. Two of the contracts mentioned above were properly approved and signed but no mention of approval in the minutes. All future contracts will be approved in the minutes.



Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: The District has no employees, therefore this procedure is not applicable. We obtained management's representation that the District had no employees.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: The District has no employees, therefore this procedure is not applicable.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: The District has no employees, therefore this procedure is not applicable.

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: The District has no employees, therefore this procedure is not applicable.



Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: The District had no employees, however the Board members are required to maintain documentation to demonstrate that required ethics training was completed. Of the 5 Board members tested, all have the documentation required.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: We inquired of management whether any alleged ethics violations were reported during the fiscal period. Management has received no such allegations.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: The District did not issue any debt during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

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

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

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



Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We inquired of management whether the District had any misappropriations of public funds or assets. Management reported there have not been any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The District does not have a website. We observed that the District has posted on its premises the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions were identified as a result of these procedures.

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 13, 2018



STAGNI & COMPANY, LLC
