

**Terrebonne Parish Veterans'
Memorial District**

Annual Financial Report
As of and for the
Year Ended December 31, 2018

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

Annual Financial Report
As of and for the Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Parish Veterans' Memorial District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Parish Veterans' Memorial District, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the budgetary comparison schedule on page 26 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Terrebonne Parish Veterans' Memorial District's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to District Board President on page 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Houma, Louisiana
May 13, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion and Analysis
December 31, 2018

As management of the Terrebonne Parish Veterans' Memorial District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2018.

FINANCIAL HIGHLIGHTS

- Terrebonne Parish Veterans' Memorial District's assets exceeded its liabilities and deferred inflows of resources by \$1,744,980 (net position) as of December 31, 2018.
- Revenues exceeded expenses by \$95,685 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Management's Discussion and Analysis
December 31, 2018

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$1,744,980 at the close of the most recent year, December 31, 2018. The largest portion of the District's total assets is capital assets, net of accumulated depreciation (87%).

The District's Net Position

	December 31,	
	2018	2017
ASSETS		
Cash	\$ 59,909	\$ 719,538
Investments	103,488	101,529
Other assets	461,310	552,043
Capital assets, net of accumulated depreciation	4,228,600	3,960,054
Total assets	4,853,307	5,333,164
LIABILITIES		
Payables	32,526	436,543
Bonds payable		
Due within one year	175,000	170,000
Due in more than one year	2,415,000	2,590,000
Total liabilities	2,622,526	3,196,543
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes revenue	474,114	475,562
State revenue sharing	11,687	11,764
Total deferred inflows of resources	485,801	487,326
NET POSITION		
Net investment in capital assets	1,638,600	1,200,054
Unrestricted	106,380	449,241
Total net position	\$ 1,744,980	\$ 1,649,295

- Bonds payable accounts for 99% of total liabilities.

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

Management's Discussion and Analysis
December 31, 2018

BASIC FINANCIAL ANALYSIS (Cont.)

During the year, the District's net position increased by \$95,685. The elements of the increase are as follows:

The District's Change in Net Position

	<u>2018</u>	<u>2017</u>
REVENUES		
Taxes	\$ 475,923	\$ 461,918
Intergovernmental:		
State of Louisiana revenue sharing	11,763	11,855
Rental income	4,999	1,450
Interest income	1,959	977
Other	<u>2,567</u>	<u>727</u>
Total revenues	<u>497,211</u>	<u>476,927</u>
EXPENSES		
General government:		
Ad valorem tax deductions	19,844	22,807
Cultural and recreation:		
Other services and charges	203,940	156,807
Depreciation	68,515	67,649
Repairs and maintenance	37,648	33,981
Supplies and materials	14,179	11,008
Interest expense	<u>57,400</u>	<u>65,202</u>
Total expenses	<u>401,526</u>	<u>357,454</u>
CHANGE IN NET POSITION	95,685	119,473
NET POSITION - BEGINNING	<u>1,649,295</u>	<u>1,529,822</u>
NET POSITION - ENDING	<u>\$ 1,744,980</u>	<u>\$ 1,649,295</u>

As indicated above, net assets increased by \$95,685, which indicates revenues were sufficient to cover expenses incurred during the year. The decrease in change in net position from the prior year is primarily due to the increase in other services and charges.

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

Management's Discussion and Analysis
December 31, 2018

CAPITAL ASSETS

As of December 31, 2018, the District had \$4,228,600 invested in capital assets as follows:

Buildings	\$ 2,372,926
Improvements other than buildings	237,508
Construction in progress	1,941,616
Artifacts	82,565
Office furniture, fixtures, and equipment	16,399
	4,651,014
Less accumulated depreciation	(422,414)
	\$ 4,228,600

Construction in progress at December 31, 2018 represents additions and improvements being made to the regional military museum.

BONDS PAYABLE

Series 2016 limited tax bonds are recorded as liabilities. The total amount of principal paid on these bonds during the year was \$170,000 resulting in an ending balance of \$2,590,000. Interest paid was \$57,400. More detailed information about the bonds is presented in the notes to the financial statements.

BUDGET

The District amended its general fund budget once during the fiscal year. The budget for revenues was \$496,289, and the budget for expenditures was \$558,812.

Revenues

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

Total revenues original budget	\$ 473,910
Total revenues revised budget	496,289
	\$ 22,379

The District's general fund budgeted revenues were \$275 less than actual revenues, a favorable variance of .06%.

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

Management's Discussion and Analysis
December 31, 2018

Expenditures

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

Total expenditures original budget	\$	465,211
Total expenditures revised budget		558,812
	<u>\$</u>	<u>93,601</u>

The District's actual expenditures were \$2,437 less than the budgeted expenditures, a 0.44% favorable variance.

REQUEST FOR INFORMATION

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

FINANCIAL STATEMENTS

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

Statement of Net Position
December 31, 2018

	Government Activities
ASSETS	
Current assets	
Cash	\$ 59,909
Investments	103,488
Due from other governmental units	300,372
Taxes receivable	145,515
Other assets	15,423
Total current assets	624,707
Capital assets, net of accumulated depreciation of \$422,414	4,228,600
TOTAL ASSETS	4,853,307
LIABILITIES	
Current liabilities	
Accounts payable	13,563
Interest payable	18,963
	32,526
Bonds payable	
Due within one year	175,000
Due after one year	2,415,000
	2,622,526
TOTAL LIABILITIES	2,622,526
DEFERRED INFLOWS OF RESOURCES	
Ad valorem taxes revenue	474,114
State revenue sharing	11,687
	485,801
TOTAL DEFERRED INFLOWS OF RESOURCES	485,801
NET POSITION	
Net investment in capital assets	1,638,600
Unrestricted	106,380
	1,744,980
TOTAL NET POSITION	\$ 1,744,980

See accompanying notes.

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

Statement of Activities
For the Year Ended December 31, 2018

	Government Activities
REVENUES	
Taxes	\$ 475,923
Intergovernmental:	
State of Louisiana revenue sharing	11,763
Rental income	4,999
TOTAL REVENUES	492,685
EXPENSES	
Current:	
General government:	
Ad valorem tax deductions	19,844
Cultural and recreation:	
Other services and charges	203,940
Depreciation	68,515
Repairs and maintenance	37,648
Supplies and materials	14,179
TOTAL EXPENSES	344,126
NET REVENUE	148,559
GENERAL REVENUES	
Interest earned	1,959
Other	2,567
TOTAL GENERAL REVENUES	4,526
OTHER EXPENSES	
Interest expense	57,400
CHANGE IN NET POSITION	95,685
NET POSITION	
Beginning of year	1,649,295
End of year	\$ 1,744,980

See accompanying notes.

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

Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 10,705	\$ 49,204	\$ 59,909
Investments	69,303	34,185	103,488
Due from other governmental units	300,372	-	300,372
Taxes receivable	145,515	-	145,515
Other assets	15,423	-	15,423
TOTAL ASSETS	\$ 541,318	\$ 83,389	\$ 624,707
LIABILITIES			
Accounts payable	\$ 11,460	\$ 2,103	\$ 13,563
DEFERRED INFLOWS OF RESOURCES			
Ad valorem taxes revenue	474,114	-	474,114
State revenue sharing	11,687	-	11,687
TOTAL DEFERRED INFLOWS OF RESOURCES	485,801	-	485,801
FUND BALANCE			
Nonspendable	15,423	-	15,423
Restricted	-	81,286	81,286
Unassigned	28,634	-	28,634
TOTAL FUND BALANCE	44,057	81,286	125,343
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 541,318	\$ 83,389	\$ 624,707

See accompanying notes.

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

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Funds
December 31, 2018

	General Fund	Capital Project Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 475,923	\$ -	\$ 475,923
Intergovernmental			
State of Louisiana revenue sharing	11,763	-	11,763
Rental Income	4,999	-	4,999
Other	3,879	647	4,526
TOTAL REVENUES	<u>496,564</u>	<u>647</u>	<u>497,211</u>
EXPENDITURES			
Current:			
General government			
Ad valorem tax deductions	19,844	-	19,844
Culture and recreation			
Other services and charges	203,940	-	203,940
Repairs and maintenance	37,648	-	37,648
Supplies and materials	14,179	-	14,179
Total culture and recreation	<u>255,767</u>	<u>-</u>	<u>255,767</u>
Capital outlay	14,854	322,207	337,061
Debt service			
Principal	170,000	-	170,000
Interest	58,425	-	58,425
TOTAL EXPENDITURES	<u>518,890</u>	<u>322,207</u>	<u>841,097</u>
EXCESS OF EXPENDITURES OVER REVENUES	(22,326)	(321,560)	(343,886)
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	137,485	-
Transfers out	(137,485)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(37,485)</u>	<u>37,485</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(59,811)	(284,075)	(343,886)
FUND BALANCE			
Beginning of year	103,868	365,361	469,229
End of year	<u>\$ 44,057</u>	<u>\$ 81,286</u>	<u>\$ 125,343</u>

See accompanying notes.

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

Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
December 31, 2018

Total fund balance - total governmental funds	\$ 125,343
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets \$4,651,014 net of accumulated depreciation of \$422,414, are not financial resources and, therefore, are not reported in the funds.	4,228,600
Outstanding limited tax bonds of \$2,590,000 and associated interest payable of \$18,963 are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,608,963)</u>
Total net position of governmental activities	<u>\$ 1,744,980</u>

See accompanying notes.

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

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balances – Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2018

Change in fund balance - governmental fund	\$	(343,886)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Depreciation expense	(68,515)	
Capital outlays	<u>337,061</u>	268,546

The issuance of long-term debt provides current financial resources to governmental funds. This transaction has no effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments of bonds		170,000
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. This is the change in interest payable.

		<u>1,025</u>
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Change in net position of governmental activities	\$	<u>95,685</u>
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See accompanying notes.

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Notes to Financial Statements
For the Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2018. GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

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

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

B. BASIS OF PRESENTATION

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

Government-Wide Financial Statements:

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

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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

Fund Financial Statements:

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

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs and is not reported as a major fund.

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-Wide Financial Statements:

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

Fund Financial Statements:

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

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meet the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2018 property taxes which are being levied to finance the 2019 budget will be recognized as revenue in 2019. The 2018 tax levy is recorded as unearned revenue (deferred inflows of resources) in the District's 2018 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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

D. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. OPERATING BUDGETARY DATA

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

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

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

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

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

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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

F. ACCOUNTS RECEIVABLE

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

G. CAPITAL ASSETS

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

Government-wide Financial Statements:

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

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 - 40 years
Improvements other than building	5 - 50 years
Office furniture, fixtures, and equipment	5 years
Museum artifacts	5 years
Machinery and equipment	5 - 20 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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

H. LONG-TERM DEBT

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

Government-Wide Financial Statements:

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

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures.

I. VACATION AND SICK LEAVE

The District has no employees. There is no accumulated unpaid vacation and sick leave as of December 31, 2018.

J. FUND EQUITY

Government-Wide Statements:

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

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

Restricted – Consists of components of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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

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

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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

Fund Financial Statements:

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Bank Deposits:

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States Treasury.

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

The year-end balance deposits is as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	\$ 1,411	\$ 1,411

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2018, none of the District's bank balance of \$1,411 was exposed to credit risk as these amounts were covered by FDIC insurance.

The District also has monies held in a cash and investment pool maintained by the Parish and available for use by all funds. The District's portion of this pool, \$58,498 at December 31, 2018, is included on the Statement of the Net Position and Government Fund Balance Sheet as "Cash". These funds are held and invested by the Parish who has proper pledging to cover

Terrebonne Parish Veterans' Memorial District
Terrebonne Parish Consolidated Government

Notes to Financial Statements
For the Year Ended December 31, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

funds for the District.

As of December 31, 2018, such cash deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District and the Parish, respectively. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

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

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

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

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

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

Notes to Financial Statements
For the Year Ended December 31, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

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

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 76 days as of December 31, 2018.
- Foreign currency risk: Not applicable.

The investment in LAMP is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investment in LAMP as of December 31, 2018 amounted to \$103,488 and is classified on the Statement of Net Position as "Investments".

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

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

Notes to Financial Statements
For the Year Ended December 31, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

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

Reported amount of deposits	\$	59,909
Reported amount of investments		103,488
		\$ 163,397
Cash and cash equivalents	\$	59,909
Investments		103,488
		\$ 163,397

NOTE 3 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2018 consisted of the following:

Terrebonne Parish Sheriff's Office (Tax Collector) - December 2017 collections remitted to the District in January 2018:		
Ad valorem taxes	\$	288,359
State revenue sharing		3,896
State of Louisiana -		
State revenue sharing		8,117
Total	\$	300,372

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

Notes to Financial Statements
For the Year Ended December 31, 2018

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2018 is as follows:

	Balance January 1, 2018	Additions	Reclassifications/ Deletions	Balance December 31, 2018
Capital assets not being depreciated:				
Construction in progress	\$ 1,619,409	\$ 322,207	\$ -	\$ 1,941,616
Capital assets being depreciated:				
Buildings	2,372,926	-	-	2,372,926
Improvements other than buildings	237,508	-	-	237,508
Office furniture, fixtures, and equipment	1,545	14,854	-	16,399
Artifacts	82,565	-	-	82,565
Total capital assets being depreciated	2,694,544	14,854	-	2,709,398
Less accumulated depreciation for:				
Buildings	(263,832)	(59,323)	-	(323,155)
Improvements other than buildings	(24,457)	(7,866)	-	(32,323)
Office furniture, fixtures, and equipment	(1,544)	(866)	-	(2,410)
Artifacts	(64,066)	(460)	-	(64,526)
Total accumulated depreciation	(353,899)	(68,515)	-	(422,414)
Total capital assets being depreciated, net	2,340,645	(53,661)	-	2,286,984
Total capital assets, net	\$ 3,960,054	\$ 268,546	\$ -	\$ 4,228,600

Depreciation expense of \$68,515 was recorded as a cultural and recreation expense for the year ended December 31, 2018.

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

Notes to Financial Statements
For the Year Ended December 31, 2018

NOTE 5 – LONG-TERM DEBT

As of December 31, 2018, the District had outstanding limited tax bonds, Series 2016, totaling \$2,760,000 bearing interest at a rate of 2.26% per year. These bonds are repayable through March 1, 2031 from ad valorem tax revenues.

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

Bonds payable as of January 1, 2018	\$ 2,760,000
Principal payment on bonds payable	(170,000)
Bonds payable as of December 31, 2018	\$ 2,590,000

The annual requirements to amortize long-term debt outstanding as of December 31, 2018 are as follows:

Year	Principal	Interest	Total
2019	\$ 175,000	\$ 55,253	\$ 230,253
2020	180,000	51,876	231,876
2021	180,000	48,337	228,337
2022	185,000	44,638	229,638
2023	190,000	40,734	230,734
2024-2028	1,015,000	138,161	1,153,161
2029-2031	665,000	24,285	689,285
	\$ 2,590,000	\$ 403,284	\$ 2,993,284

NOTE 7 – COMPENSATION OF BOARD MEMBERS

No compensation was paid to board members for the year ended December 31, 2018.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through May 13, 2019, which is the date the financial statements were available to be issued. No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

**Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 461,760	\$ 475,743	\$ 475,923	\$ 180
Other	650	781	833	52
Interest earned	500	1,319	1,312	(7)
Intergovernmental:				
State of Louisiana - revenue sharing	11,000	11,763	11,763	-
Miscellaneous	-	1,734	1,734	-
Rental income	-	4,949	4,999	50
TOTAL REVENUES	473,910	496,289	496,564	275
EXPENDITURES				
Current				
General government:				
Ad valorem tax deductions	15,546	15,974	19,844	(3,870)
Culture and recreation:				
Other services and charges	157,540	196,353	203,940	(7,587)
Repairs and maintenance	52,500	39,546	37,648	1,898
Supplies and materials	11,200	12,929	14,179	(1,250)
Debt service	228,425	228,425	228,425	-
Capital outlay	-	15,585	14,854	731
Transfers out	-	50,000	37,485	12,515
TOTAL EXPENDITURES	465,211	558,812	556,375	2,437
EXCESS OF REVENUES OVER EXPENDITURES	\$ 8,699	\$ (62,523)	\$ (59,811)	\$ 2,712

See Independent Auditor's Report.

OTHER INFORMATION

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

Schedule of Compensation, Benefits, and Other Payments
to District Board President
Year Ended December 31, 2018

Agency Head: Mr. Ken Royston, President

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

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

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Veterans' Memorial District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 13, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

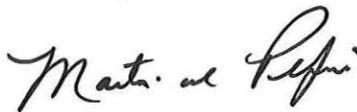
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of management, Board of Directors, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana
May 13, 2019

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

Schedule of Findings and Responses
For the Year Ended December 31, 2018

Section I – Summary of Auditor's Results

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

Section II – Financial Statement Findings

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

Section III –Federal Awards

No federal awards were received during the year.

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

Schedule of Prior Findings and Responses
For the Year Ended December 31, 2018

Note: All prior findings relate to the **December 31, 2017** audit engagement.

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

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

Section II – Internal Control and Compliance Material to Federal Awards

The Terrebonne Parish Veterans' Memorial District did not receive federal awards during the year ended December 31, 2017.

Section III – Management Letter

A management letter was not issued.