

**VETERANS MEMORIAL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**VETERANS MEMORIAL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
*As of and for the Year Ended December 31, 2013*

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**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

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, 2013. When read in conjunction with the notes to the financial statements, this section's 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's initial year of operations:

- Assets exceeded liabilities by \$ 1,709,606 (net position).
- Total net assets are comprised of the following:
  - (1) Invested in capital assets of \$1,447,862 including equipment, net of accumulated depreciation and net of related debt.
  - (2) Restricted for debt service of \$41,964.
  - (3) Unrestricted net assets of \$219,780 representing the balance available to fund programs and activities for veterans.
- Total spending for all governmental activities was \$213,253 for the year with no programs revenues in the current year.
- The general revenues used to offset the deficit for program expenses totaled \$511,057 for the year.
- The governmental funds reported total ending fund balance of \$262,794, of which \$220,830 was considered unassigned and \$41,964 was restricted for debt service.
- Total revenue reported for all governmental funds was \$511,057 and expenditures were \$438,159, including \$186,543 of capital expenditures and \$89,987 of debt service expenditures. This resulted in a net change in fund balance of \$72,898.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of 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 Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) 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, 2013*

Our auditor has provided assurance in the independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

***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 liabilities, 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, business-type activities.

***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 Lafourche Parish Veterans Memorial District utilizes the governmental type of fund with the following accounting approach. Most of 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. FFS 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

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

governmental funds (FFS) in reconciliation at the bottom of the fund financial statements.

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

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 of the District.

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

Condensed Statement of Net Position

	2013	2012	Dollar Change
Current and Other Assets	\$ 266,816	\$ 707,338	\$ (440,522)
Capital Assets	1,537,862	1,398,948	138,914
<b>Total Assets</b>	<b>1,804,678</b>	<b>2,106,286</b>	<b>(301,608)</b>
Current Liabilities	5,072	27,069	(21,997)
Long Term Liabilities	90,000	202,069	(112,069)
<b>Total Liabilities</b>	<b>95,072</b>	<b>229,138</b>	<b>(134,066)</b>
<b>Deferred inflows of resources</b>	<b>567,921</b>	<b>492,415</b>	<b>75,506</b>
Invested in Capital Assets	1,447,862	1,223,948	223,914
Restricted	41,964	41,964	-
Unrestricted	219,780	145,890	73,890
<b>Total Net Assets</b>	<b>\$ 1,709,606</b>	<b>\$ 1,411,802</b>	<b>\$ 297,804</b>

Approximately \$1,447,000 or 85% of the net assets reflects the investment in capital assets (monument and water fountain cost, land improvements and equipment) less any related outstanding debt used to acquire those assets. Another \$41,964 of the net assets is restricted for debt service.

Net assets increased by \$297,804 during 2013. The table following provides a summary of the changes in net assets:

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

Condensed Statement of Activities

	2013	2012	Dollar Change
<b>Program Expenses:</b>			
Current	\$ 151,373	\$ 139,587	\$ 11,786
Depreciation	61,880	44,572	17,308
<b>Total program expenses</b>	<u>213,253</u>	<u>184,159</u>	<u>29,094</u>
General revenues	<u>511,057</u>	<u>430,637</u>	<u>80,420</u>
<b>Change in Net Assets</b>	297,804	246,478	51,326
<b>Net Assets:</b>			
Beginning of the year	<u>1,411,802</u>	<u>1,165,324</u>	<u>246,478</u>
End of the year	<u>\$ 1,709,606</u>	<u>\$ 1,411,802</u>	<u>\$ 297,804</u>

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

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 a government's net resources available for spending.

The governmental funds reported combined ending fund balances of \$262,794. Certain balances in the total are *restricted* to indicate that it is not available for new spending and are restricted to payment of debt service of \$41,964

The General Fund ended the year with a fund balance of \$220,830, all considered unassigned. During the year the General Fund recorded \$511,057 in ad valorem tax revenues and expended \$161,629 in current expenditures, the largest amount of that was for transportation costs (\$65,527). Capital outlay purchases of \$186,543 were made for property improvements, office construction (such as a building), and monument improvements (such as a statue and artwork for statue). The General Fund also transferred out \$89,987 to the Debt Service Fund, resulting in a net increase in fund balance of \$72,898.

The Debt Service Fund ended the year with a fund balance of \$41,964 – all considered restricted for the repayment of debt. After the transfer in from the General fund and payments of principal of \$89,987 and interest and fiscal charges of \$89,987, there was no change in fund balance.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District budgets conservatively. Revenues are budgeted based on historic trends. Expenditures are budgeted based on the previous adopted levy. The budget was amended during the year. The District was in compliance with the state budget laws.

**CAPITAL ASSETS**

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

	2013	2012
Land	\$ 230,000	\$ 230,000
Construction In Progress	45,543	45,917
Land Improvements	167,486	144,556
Equipment	169,365	94,962
Monument Cost	713,880	647,292
Building	394,887	357,639
Water Fountain	73,267	73,267
Office Equipment	12,789	12,789
Total Cost	1,807,217	1,606,422
Accumulated Depreciation	269,355	207,475
Net Capital Assets	<u>\$ 1,537,862</u>	<u>\$ 1,398,947</u>
Depreciation Expense	<u>\$ 61,880</u>	<u>\$ 44,572</u>

This year there was \$238,042 of additions of assets such as monument improvements and equipment and \$37,247 added as projects were completed and transferred from construction in progress. Depreciation expense of \$61,880 was recorded. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

**LONG-TERM DEBT**

At year-end, \$90,000 in general obligations bonds was outstanding. Payments of \$85,000 of principal and \$4,987 in interest payments were made during the year. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**NEXT YEAR'S BUDGET**

Highlights of next year's adopted budget follows:

<b>Beginning Fund Balance</b>	\$ 192,978
<b>Projected Revenue</b>	511,632
<b>Projected Expenditures:</b>	
Current	(279,600)
Capital outlay	(321,361)
Debt Service	(95,000)
Total Expenditures	<u>(695,961)</u>
<b>Ending Fund Balance</b>	<u><u>\$ 8,649</u></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

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2013, 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 an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

To the Board of Commissioners,  
Veterans Memorial District,  
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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation 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, 2013 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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



To the Board of Commissioners,  
Veterans Memorial District,  
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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 22, 2014, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
May 22, 2014



**VETERANS MEMORIAL DISTRICT**

Statement of Net Position

December 31, 2013

**ASSETS**

Cash	\$	265,754
Deposits		1,062
Capital Assets, Net of Accumulated Depreciation		<u>1,537,862</u>
<b>TOTAL ASSETS</b>		<u><u>1,804,678</u></u>

**DEFERRED OUTFLOWS OF RESOURCES**

Taxes receivable		73,067
Due from Tax Collector - ad valorem taxes		<u>494,854</u>
		567,921

**LIABILITIES**

Accounts Payable		4,022
Interest payable		<u>1,050</u>
<b>TOTAL CURRENT LIABILITIES</b>		5,072
<b>LONG TERM LIABILITIES:</b>		
Due in one year		90,000
Due in more than one year		<u>-</u>
<b>TOTAL LIABILITIES</b>		<u><u>95,072</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred revenue - ad valorem taxes		567,921
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**NET POSITION**

Net investment in capital assets		1,447,862
Restricted for debt service		41,964
Unrestricted		<u>219,780</u>
<b>TOTAL NET ASSETS</b>	<b>\$</b>	<u><u>1,709,606</u></u>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Statement of Activities**  
For the Year Ended December 30, 2013

	Expenses	<b>Program Revenues:</b>		Net
		Charges for	Operating	(Expenses)/
<b>Governmental Activities</b>		Services	Grants and	Revenue
			Contributions	
Professional Fees	\$ 17,603	\$ -	\$ -	(\$17,603)
Secretary Cost	1,800	-	-	(1,800)
Transportation Cost	65,527	-	-	(65,527)
Repairs and Maintenance	34,788	-	-	(34,788)
Insurance	11,245	-	-	(11,245)
Advertisement	1,462	-	-	(1,462)
Supplies	5,936	-	-	(5,936)
Taxes and Licenses	9,017	-	-	(9,017)
Interest paid on debt	3,995	-	-	(3,995)
Depreciation	61,880	-	-	(61,880)
<b>Total Governmental Activities</b>	<b>\$ 213,253</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(213,253)</b>
<b>General Revenues:</b>				
				511,057
			Total General Revenues	511,057
			<b>Change in Net Position</b>	297,804
<b>Net Position:</b>				
				1,411,802
			Beginning	1,411,802
			Ending	<b>\$ 1,709,606</b>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Balance Sheet - Governmental Funds**  
December 31, 2013

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash	\$ 223,790	\$ 41,964	\$ 265,754
Receivables:			
Taxes receivable	73,067	-	73,067
Due from tax collector	494,854	-	494,854
Deposits	1,062	-	1,062
	\$ 792,773	\$ 41,964	\$ 834,737
<b>LIABILITIES</b>			
Accounts payable	\$ 4,022		\$ 4,022
Deferred Revenue	567,921		567,921
<b>TOTAL LIABILITIES</b>	<b>571,943</b>		<b>571,943</b>
<b>FUND EQUITY</b>			
Fund Balances:			
Restricted for Debt Service	-	\$ 41,964	41,964
Unassigned	220,830	-	220,830
<b>TOTAL FUND EQUITY</b>	<b>220,830</b>	<b>41,964</b>	<b>262,794</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 792,773</b>	<b>\$ 41,964</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	1,537,862
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable		(1,050)
Bonds payable - current	(90,000)	
Bonds payable - long term	-	
		(90,000)

<b>Net assets of governmental activities</b>		<b>\$ 1,709,606</b>
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See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 30, 2013

	General Fund	Debt Service Fund	Totals
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 511,057	\$ -	\$ 511,057
<b>Total Revenues</b>	<u>511,057</u>	<u>-</u>	<u>511,057</u>
<b>EXPENDITURES</b>			
Current:			
Professional Fees	17,603	-	17,603
Secretary Cost	1,800	-	1,800
Transportation Cost	65,527	-	65,527
Repairs and Maintenance	49,039	-	49,039
Insurance	11,245	-	11,245
Advertisement	1,462	-	1,462
Supplies	5,936	-	5,936
Utilities	9,017	-	9,017
Total Current	<u>161,629</u>	<u>-</u>	<u>161,629</u>
Capital Outlay	186,543	-	186,543
Debt Service:			
Principal	-	85,000	85,000
Interest and fiscal charges	-	4,987	4,987
Total Debt Service	<u>-</u>	<u>89,987</u>	<u>89,987</u>
<b>Total Expenditures</b>	<u>348,172</u>	<u>89,987</u>	<u>438,159</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in (out)	(89,987)	89,987	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>72,898</u>	<u>-</u>	<u>72,898</u>
<b>FUND BALANCE</b>			
Beginning of year	147,932	41,964	189,896
End of year	<u>\$220,830</u>	<u>\$41,964</u>	<u>\$262,794</u>

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 30, 2013

**Net change in fund balances - governmental funds** **\$ 72,898**

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	\$ 186,543	
Adjustment to capital assets	14,251	
Depreciation expense	<u>(61,880)</u>	
Amount by which depreciation exceeded capital outlays		138,914

Other expenses reported in the Statement of Activities that do not  
require current financial resources:

Decrease in Interest payable	992
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For governmental funds, the incurrance of long-term debt provides  
current financial resources and the repayment of long-term  
obligations consumes current financial resources. Neither  
transaction has any effect on net assets.

Prinicpal paid on long term debt	<u>85,000</u>
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**Change in net assets of governmental activities** **\$ 297,804**

See notes to financial statements.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

The Veterans' Memorial District of Ward 10 of Lafourche Parish was created by the Legislature of Louisiana in its Regular Session, 2005. Provided by R.S. 33:9356 approved 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 District implemented GASB Statements 63 and 65 during the current year. The statements 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. The statement also identifies net position as the residual of all other elements presented in a statement of financial position. The changes in implementing these statements are noted throughout the report.

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.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

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

#### **A. Reporting Entity (Continued)**

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the council to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District, the District is considered a component unit of the Lafourche Parish Council, if applying the criteria above.

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

##### **Government-Wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the District's administrative services are classified as governmental activities.

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. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

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

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

##### **Government-Wide and Fund Financial Statements (continued)**

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and activities. These functions are also supported by general government revenues (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 (interest earned, etc). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

##### **Fund Accounting**

The District uses funds and account groups 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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

##### **Governmental Funds**

Governmental funds account for all or most 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 following are the governmental funds:

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

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

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

General Fund - 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.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

#### **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. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

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 and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2012 property taxes which were levied to finance the 2013 budget are recognized as revenue in 2013. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

**VETERANS MEMORIAL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

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

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

*Fund Financial Statements (FFS) (continued)*

**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.

**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.

# VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements  
For the Year Ended December 31, 2013

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

### **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, does not obtain public participation in the budget process. 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.

### **G. Cash**

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.

### **H. Receivables**

The financial statements for the District 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.

### **I. Capital Assets**

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

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

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

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

#### **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. 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 AND INVESTMENTS**

#### *Deposits:*

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2013, the reported amount of deposits was \$265,754 and the bank balance was \$275,908.

Custodial credit risk is the risk that in an event of a bank failure, the district's 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 time 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 deposits of \$25,908 exposed to custodial credit risk.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 2                    DEPOSITS AND INVESTMENTS (Continued)**

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**

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, 2012. 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 2012 property tax levy is recognized as revenue in fiscal 2013. The 2013 property tax levy is recognized as a receivable in fiscal 2013 because it is the intent of the Board to use these taxes to fund 2013 operations. The tax rate for each of the years ended December 31, 2012 and 2013 was \$0.98 per \$1,000 of assessed valuation on property within Lafourche Parish Veterans Memorial District for the purpose of 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, 2013.

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

The amounts due from other governmental units at December 31, 2013 consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 2013.

**VETERANS MEMORIAL DISTRICT**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 6 CAPITAL ASSETS**

A schedule of changes in capital assets follows:

<b>Governmental activities</b>	<b>Balance 12/31/12</b>	<b>Additions</b>	<b>Deletions/ Adjustment</b>	<b>Balance 12/31/13</b>
Land	\$ 230,000			\$230,000
Construction In Progress	45,917	\$36,874	(\$37,247)	45,543
Monument	647,293	66,587		713,880
Building	357,639	37,248		394,887
Water Fountain	73,267			73,267
Improvements	144,556	22,930		167,486
Equipment	94,962	74,403		169,365
Office Equipment	12,789			12,789
<b>Total Assets</b>	<b>\$1,606,423</b>	<b>\$238,042</b>	<b>(\$37,247)</b>	<b>\$1,807,217</b>

Less accumulated depreciation:

Monument	\$84,211	\$24,240		\$108,451
Building	10,729	14,306		25,035
Water Fountain	18,644	3,672		22,316
Improvements	21,732	6,605		28,337
Equipment	69,420	10,498		79,918
Office Equipment	2,739	2,558		5,297
<b>Totals</b>	<b>\$207,475</b>	<b>\$61,880</b>		<b>\$269,355</b>
<b>Capital assets, net</b>	<b>\$1,398,948</b>			<b>\$1,537,862</b>

Depreciation expense for the year was \$61,880 recorded as governmental activities.

**VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 7                      LONG TERM DEBT**

At December 31, 2013, the District had assumed the debt of a Certificate of Indebtedness, Series 2004 dated May 1, 2004 bearing interest at a rate of 3.5% per annum payable through March 1, 2014.

A summary of changes in long-term obligations of the District is as follows:

	Payable December 31, 2012	Additions	Deletions	Payable December 31, 2013
COI, Series 2004	\$175,000		\$85,000	\$90,000

The annual requirements, including interest, to amortize all long-term debt outstanding at December 31, 2013 are as follows:

MATURITY	Principal	Interest	TOTAL
2014	\$90,000	\$3,150	\$93,150
Totals	\$90,000	\$3,150	\$93,150

**Note 8                      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 30, 2013

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 492,415	\$ 511,632	\$ 511,057	(\$575)
Total Revenues	<u>492,415</u>	<u>511,632</u>	<u>511,057</u>	<u>(575)</u>
<b>EXPENDITURES:</b>				
Current:				
Secretary Cost	9,500	9,500	19,403	(9,903)
Transportation Cost	85,000	85,000	65,527	19,473
Repairs and Maintenance	98,000	129,000	49,039	79,961
Insurance	16,000	16,000	11,245	4,755
Advertising & Promotion	1,100	1,100	1,462	(362)
Supplies	24,000	24,000	5,936	18,064
Utilities	15,000	15,000	9,017	5,983
Total Current	<u>248,600</u>	<u>279,600</u>	<u>161,629</u>	<u>117,971</u>
Capital Outlay	315,000	321,361	186,543	134,818
Debt Service	95,000	95,000	89,987	5,013
Total Expenditures	<u>658,600</u>	<u>695,961</u>	<u>438,159</u>	<u>257,802</u>
<b>NET CHANGE IN FUND BALANCE</b>	(166,185)	(184,329)	72,898	257,227
<b>FUND BALANCE:</b>				
Beginning of year	171,923	192,978	189,896	(3,082)
End of year	<u>\$ 5,738</u>	<u>\$ 8,649</u>	<u>\$ 262,794</u>	<u>\$ 254,145</u>

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



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 22, 2014.

### ***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 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting 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 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 that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

May 22, 2014  
Thibodaux, Louisiana



**Veterans Memorial District**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2013**

***Section I - Summary of Auditor's Reports***

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The District neither received nor expended any federal awards during the year.

***Section II - Financial Statement Findings***

- There were no financial statement 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.

