

Financial Report

Lafourche Parish Tourist Commission

Raceland, Louisiana

December 31, 2021



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities and the General Fund of Lafourche Parish Tourist Commission, State of Louisiana (the "Commission"), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of Lafourche Parish Tourist Commission as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet out other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic 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 18, 2022 on our consideration of the Commission's internal control over financial reporting and 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 Commission's internal control over financial reporting and compliance.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 18, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Tourist Commission

December 31, 2021

Management's Discussion and Analysis of the Lafourche Parish Tourist Commission's (the "Commission") financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended December 31, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2021 by \$2,688,458 (net position), which represents a 1.79% increase from last fiscal year.

The Commission's revenue increased \$715,581 (or 74.11%) primarily due to an increase in grant revenue and an increase in hotel/motel taxes received from Lafourche Parish and the State.

The Commission's expenses increased \$856,320 (or 110.12%) primarily due to the disposal of property and equipment resulting from Hurricane Ida damages.

The Commission did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission:

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Commission's assets, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The Statement of Activities presents information showing how the Commission's net position changed during each 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. The governmental activity of the Commission is culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The only fund of the Commission is a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains an individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. As of December 31, 2021, assets exceeded liabilities by \$2,688,458. A small portion of the Commission's net position (3.07%) reflects its net investment in capital assets (e.g., construction in progress, buildings and land improvements; office furniture, fixtures and equipment, and intangible assets). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		Increase
	<u>2021</u>	<u>2020</u>	<u>(Decrease)</u>
Current and other assets	\$ 2,616,686	\$ 1,621,941	\$ 994,745
Capital assets	82,515	1,026,100	(943,585)
Total assets	<u>2,699,201</u>	<u>2,648,041</u>	<u>51,160</u>
Current and other liabilities	7,251	4,563	2,688
Long-term liabilities outstanding	3,492	2,218	1,274
Total liabilities	<u>10,743</u>	<u>6,781</u>	<u>3,962</u>
Net position:			
Net investment in capital assets	82,515	1,026,100	(943,585)
Unrestricted	2,605,943	1,615,160	990,783
Total net position	<u>\$ 2,688,458</u>	<u>\$ 2,641,260</u>	<u>\$ 47,198</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities during the year ended December 31, 2021 increased the Commission's net position by \$47,198. Key elements of this increase are as follows:

Condensed Statement of Activities

	For the Year Ended		Dollar Change	Total Percent Change
	December 31, 2021	2020		
Revenues:				
Taxes - hotel/motel	\$ 1,253,292	\$ 939,213	\$ 314,079	33.44%
Miscellaneous	427,881	26,379	401,502	1522.05%
Total revenues	<u>1,681,173</u>	<u>965,592</u>	<u>715,581</u>	74.11%
Expenses:				
Economic and development assistance	<u>1,633,975</u>	<u>777,655</u>	<u>856,320</u>	110.12%
Change in net position	47,198	187,937	(140,739)	-74.89%
Net position, beginning of year	<u>2,641,260</u>	<u>2,453,323</u>	<u>187,937</u>	7.66%
Net position, end of year	<u>\$ 2,688,458</u>	<u>\$ 2,641,260</u>	<u>\$ 47,198</u>	1.79%

The increase in revenue is primarily due to the increase in hotel/motel tax as the Parish has come out of the Coronavirus (COVID-19) pandemic. Also, revenue increased due to the receipt of American Rescue Plan grant funds and other grant funding. The net increase in expenses is primarily due to increases in other services and charges resulting from the disposal of property and equipment due to damages from Hurricane Ida.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND (Continued)

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission's General Fund's ending fund balance is \$2,606,488 which is an increase of \$991,568 in comparison with the prior year. The unassigned fund balance of \$2,606,488 is available for spending at the Commission's discretion.

General Fund Budgetary Highlights

The budget was amended once during the year ended December 31, 2021. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Grant revenue was increased by \$114,000 to reflect an increase in expected grant funding from the American Rescue Plan grant.

Expenditures

- Other services and charges increased by \$108,500 due to an expected increase in advertising and promotional expenses.

During the year, actual revenues were more than budgeted and actual expenditures were less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Commission's net investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$82,515 (net of accumulated depreciation). This net investment in capital assets includes building costs, leasehold improvements, and land improvements, office furniture, fixtures and equipment and intangible assets as follows:

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**Capital Assets (Continued)**

	<u>2021</u>	<u>2020</u>
Intangible assets	\$ 39,975	\$ 39,975
Buildings and land improvements	107,428	1,357,308
Office furniture, fixtures, and and equipment	<u>53,001</u>	<u>113,721</u>
Totals	<u>\$200,404</u>	<u>\$1,511,004</u>

The Commission had to dispose of property and equipment as a result of Hurricane Ida. The Commission incurred leasehold improvement costs for the modular building that is being rented.

Additional information on the Commission's capital assets can be found in Note 3, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The 2022 budget reflects the same projection in hotel/motel tax as the 2021 amended budget.
- Budgeted revenue is expected to increase due to the anticipated receipt of insurance funds and grant funds.
- Budgeted expenditures are expected to increase from the 2021 amended budget in the advertising and promotion areas as the result of the receipt of grant funding and capital expenditures to replace property disposed of after Hurricane Ida.
- The 2022 budgeted expenditures equal budgeted revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Lafourche Parish Tourist Commission 4484 Highway 1, Raceland, Louisiana 70394.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

Lafourche Parish Tourist Commission

December 31, 2021

	General Fund	Adjustments (Exhibit B)	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 2,457,762	\$ -	\$ 2,457,762
Due from Lafourche Parish School Board	74,656	-	74,656
Taxes receivable	81,321	-	81,321
Prepaid insurance	-	-	-
Prepaid expenses	-	2,947	2,947
Capital assets:			
Depreciable, net of accumulated depreciation	-	82,515	82,515
Total assets	\$ 2,613,739	85,462	2,699,201
Liabilities			
Accounts payable and accrued expenditures	\$ 7,251	-	7,251
Long-term liabilities:			
Due in more than one year	-	3,492	3,492
Total liabilities	7,251	3,492	10,743
Fund Balance/Net Position			
Fund balances:			
Unassigned	2,606,488	(2,606,488)	-
Total liabilities and fund balance	\$ 2,613,739	(2,606,488)	10,743
Net position:			
Net investment in capital assets		82,515	82,515
Unrestricted		2,605,943	2,605,943
Total net position		\$ 2,688,458	\$ 2,688,458

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

Fund Balance - Governmental Fund	\$ 2,606,488
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Governmental capital assets	\$ 200,404
Less accumulated depreciation	<u>(117,889)</u>
	82,515
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Prepaid insurance	2,947
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds.	
Compensated absences payable	<u>(3,492)</u>
Net Position of Governmental Activities	<u><u>\$ 2,688,458</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT
OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE**

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

	General Fund	Adjustments (Exhibit D)	Statement of Activities
Revenues			
Taxes - hotel/motel:			
Parish	\$ 831,696	\$ -	\$ 831,696
State	421,596	-	421,596
Miscellaneous:			
Grants	423,964	-	423,964
Interest	1,849	-	1,849
Other	2,068	-	2,068
Total revenues	1,681,173	-	1,681,173
Expenditures/Expenses			
Current:			
Economic development and assistance:			
Personal services	182,509	1,274	183,783
Supplies and materials	20,807	-	20,807
Other services and charges	436,563	922,063	1,358,626
Repairs and maintenance	15,384	-	15,384
Capital outlay	34,342	(34,342)	-
Depreciation	-	55,375	55,375
Total economic development and assistance	689,605	944,370	1,633,975
Excess of Revenues Over Expenditures	991,568	(991,568)	-
Change in Net Position	-	47,198	47,198
Fund Balance/Net Position			
Beginning of year	1,614,920	1,026,340	2,641,260
End of year	\$ 2,606,488	\$ 81,970	\$ 2,688,458

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

Net Change in Fund Balance - Governmental Fund		\$ 991,568
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 34,342	
Depreciation expense	<u>(55,375)</u>	(21,033)
<p>The net effect of miscellaneous transactions involving capital assets, such as dispositions, trade-ins and donations, is to decrease capital outlay.</p>		
Disposal of capital assets		(922,552)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.</p>		
Increase in compensated absences payable	(1,274)	
Increase in prepaid insurance	<u>489</u>	<u>(785)</u>
Change in Net Position of Governmental Activities		<u>\$ 47,198</u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes - hotel/motel:				
Parish	\$ 510,000	\$ 510,000	\$ 831,696	\$ 321,696
State	349,000	349,000	421,596	72,596
Miscellaneous:				
Grant	32,500	146,500	423,964	277,464
Interest	5,000	2,000	1,849	(151)
Other	-	-	2,068	2,068
Total revenues	<u>896,500</u>	<u>1,007,500</u>	<u>1,681,173</u>	<u>673,673</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	235,000	235,000	182,509	52,491
Supplies and materials	25,000	27,500	20,807	6,693
Other services and charges	615,500	724,000	436,563	287,437
Repairs and maintenance	21,000	21,000	15,384	5,616
Total economic development and assistance	<u>896,500</u>	<u>1,007,500</u>	<u>655,263</u>	<u>352,237</u>
Capital outlay	-	-	34,342	(34,342)
Total expenditures	<u>896,500</u>	<u>1,007,500</u>	<u>689,605</u>	<u>317,895</u>
Excess (Deficit) of Revenues Over Expenditures	-	-	991,568	991,568
Fund Balance				
Beginning of year	<u>1,486,825</u>	<u>1,614,920</u>	<u>1,614,920</u>	-
End of year	<u>\$ 1,486,825</u>	<u>\$ 1,614,920</u>	<u>\$ 2,606,488</u>	<u>\$ 991,568</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Tourist Commission**

December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lafourche Parish Tourist Commission (the "Commission") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

The Commission is a component unit of the Lafourche Parish Council, (the "Council") and as such, these financials will be included in the comprehensive annual financial report (CAFR) of the Council for the year ended December 31, 2021.

GASB Statement No. 14, *"The Financial Reporting Entity"*, GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units-an Amendment of GASB Statement No. 14"*, and GASB Statement No. 61, *"The Financial Reporting Entity Omnibus - An amendment of GASB Statements No. 14 and 34"* criterion for determining which component units should be considered part of the Commission 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 governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Commission and the potential component unit.
4. Imposition of will by the Commission on the potential component unit.
5. Financial benefit/burden relationship between the Commission and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

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

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission 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 Commission. The government-wide presentation focuses primarily on the sustainability of the Commission 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.

Fund Financial Statements:

The daily accounts and operations of the Commission are organized on the basis of a fund 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 is the governmental fund of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

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. Hotel/motel sales and use taxes are recognized as revenue in the period they are collected by the merchants.

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.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets 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 Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Hotel/motel sales and use taxes are recognized as revenue in the period they are collected by the merchants. Miscellaneous revenues are recorded as revenues when received in cash by the Commission 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. 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board of Commissioners. The Commission amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

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

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for hotel/motel 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) Investments

Investments include deposits in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortization cost rather than market value to report net position to complete share prices if certain conditions are not met.

h) Prepaid Expenses

The Commission has recorded prepaid expenses in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets

The accounting treatment over property and equipment (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 \$500 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. The costs of website development and logo branding have been capitalized in accordance with GASB Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets.*" 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 and land improvements	5 - 50 years
Office furniture, fixtures, and equipment	5 - 25 years
Intangible assets	5 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Compensated Absences

Accumulated paid leave time is recorded as an expenditure of the period in which paid in the governmental funds.

Full-time regular team members are entitled to ten annual paid time off (PTO) days beginning on the first day of employment. Eligible employees earn 12 days of PTO after one year of employment, 15 days of PTO after two years of employment, 20 days of PTO after four years of employment, 25 days of PTO after ten years of employment, and 30 days of PTO after fifteen years of employment. All unused annual PTO will be forfeited as of December 31 with the exception of seven days of PTO, which can be carried over to the following year. It is the policy of the Commission to pay terminated employees for any unused PTO provided a two week resignation is given.

The liability for paid leave time is recorded as a non-current liability in the government-wide statements.

k) Equity

Government-Wide Statements:

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

- a. 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. As of December 31, 2021 the Commission had no outstanding borrowings.
- b. Restricted - Consists of assets, liabilities and net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other 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 Commission's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2021, the Commission did not have restricted resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Equity (Continued)

Fund Financial Statements:

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

- a. Non-spendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.
- b. 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.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Commission's Board of Commissioners. Commitment may be established, modified, or rescinded only through ordinances or resolutions approved by the Commission's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed, but are intended to be used for specific purposes. Amounts may be assigned by majority vote of the Board of Commissioners or the Director.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the Commission considers an expenditure to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as unassigned as of December 31, 2021.

l) Advertising/Promotion

It is the Commission's policy to recognize advertising expenditures/expense as incurred. During the year ended December 31, 2021, the Commission incurred \$344,101 in advertising/promotion charges.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements

During the year ending December 31, 2021, the Commission implemented the following GASB Statements:

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement did not affect the financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements are effective for reporting periods beginning December 15, 2020. This Statement did not affect the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. This Statement did not affect the financial statements.

The GASB has issued the follow Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscriptions payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 97, "*Certain Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component unites in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for internal revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Deposits:

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of 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.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Deposits: (Continued)

The balances of deposits as of December 31, 2021 are as follows:

	Bank Balances	Reported Amounts
Cash	\$ 870,029	\$ 869,770

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of December 31, 2021, \$620,029 of the Commission's bank balance of \$870,029 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the Commission's name by state statutes.

As of December 31, 2021, deposits were adequately collateralized, under state law, by securities held by unaffiliated banks for the account of the Commission. The 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 pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 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 Commission to invest in obligations of the U.S. Treasury agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the LAMP.

As a means of limiting its exposure to fair value losses arising from interest rates, the Board's investment policy emphasized maintaining liquidity to match specific cash flows.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments: (Continued)

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy requires the application of the prudent-person rule. This 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 principal, secondly to maintain liquidity to meet operating requirements, and finally to obtain the most favorable rate of return.*

The Commission's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm. For an investment, custodial credit risk is that risk that, in the event of failure of the counterparty, the Commission 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 the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the 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 LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

For purposes of determining participants' shares, investments are valued as amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Investments in LAMP as of December 31, 2021, amounted to \$1,587,992 and are classified on the Statement of Net Position under "cash and cash equivalents".

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments: (Continued)

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

Bank deposits	\$ 869,770
Investment in LAMP	<u>1,587,992</u>
Total cash and cash equivalents	<u>\$ 2,457,762</u>

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31 2021
Capital assets being depreciated:				
Buildings and land improvements	\$ 1,357,308	\$ 34,342	\$ (1,284,222)	\$ 107,428
Office furniture, fixtures, and equipment	113,721	-	(60,720)	53,001
Intangibles	<u>39,975</u>	<u>-</u>	<u>-</u>	<u>39,975</u>
Total capital assets being depreciated	<u>1,511,004</u>	<u>34,342</u>	<u>(1,344,942)</u>	<u>200,404</u>
Less accumulated depreciation for:				
Buildings and land improvements	(381,289)	(35,567)	369,635	(47,221)
Office furniture, fixtures, and equipment	(73,978)	(11,978)	52,755	(33,201)
Intangibles	<u>(29,637)</u>	<u>(7,830)</u>	<u>-</u>	<u>(37,467)</u>
Total accumulated depreciation	<u>(484,904)</u>	<u>(55,375)</u>	<u>422,390</u>	<u>(117,889)</u>
Total capital assets, net	<u>\$ 1,026,100</u>	<u>\$(21,033)</u>	<u>\$ (922,552)</u>	<u>\$ 82,515</u>

During the year ended December 31, 2021, the Commission's property additions included leasehold improvements on a modular building that is being rented as a temporary office building.

Note 4 - LONG-TERM LIABILITIES

Long-term liabilities consist entirely of accumulated unpaid annual leave due after one year. For the year ended December 31, 2021, the Commission recognized an increase in annual leave as shown below:

Balance as of January 1, 2021	\$ 2,218
Increase for the year ended December 31, 2021	<u>1,274</u>
Balance as of December 31, 2021	<u>\$ 3,492</u>

Note 5 - GRANT REVENUE

During the year ended December 31, 2021, the Commission received \$290,113 of grant revenue from the State of Louisiana (the "State") as part of the American Rescue Plan Act of 2021 (ARPA). The funds were received to provide funding for hospitality and tourism impacted by COVID-19.

The Commission received a cooperative endeavor agreement with Lafourche Parish (the "Parish") in which the Commission is to receive \$256,000 of funding through ARPA to fund new signage to be placed across the Parish to increase tourism. The Commission received \$54,000 of funds during the year ended December 31, 2021. The remaining \$202,000 will be received during the years ending December 31, 2022 through 2024.

The Commission received a \$60,000 grant from the State for eligible marketing expenses as part of the Louisiana Tourism Sunshine Grant and approximately \$20,000 from the State's Department of Culture, Recreation, and Tourism for marketing expenses.

The Commission is required to spend the funds in accordance with eligible uses as defined by ARPA and is subject to audit by the grantor.

Note 6 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to worker's compensation; torts; theft of, damage to and destruction of assets; error and omission; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 7 - COMMITMENTS

In February 2019, the Commission entered into a four year operating lease agreement for office equipment. The lease terms provide for monthly rental payments of \$350.

The Commission also entered into a lease agreement effective October 29, 2021 for the rental of a modular building. The lease term is for one year and monthly payments are \$1,912.

Minimum lease payments over the remaining term of the leases are as follows:

	<u>Office Equipment</u>	<u>Modular Building</u>	<u>Totals</u>
2022	\$4,200	\$ 19,120	\$23,320
2023	<u>700</u>	<u>-</u>	<u>700</u>
Totals	<u>\$4,900</u>	<u>\$ 19,120</u>	<u>\$24,020</u>

Rent expense totaled \$8,024 for the year ended December 31, 2021.

Note 8 - BOARD MEMBERS

As set forth in the Commission's by-laws, the Board serves without compensation.

Note 9 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 18, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

Agency Head: Cody Gray, President

Purpose	
Salary	\$ 54,862
Benefits - insurance	9,002
Benefits - retirement	110
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	276
Travel	-
Registration fees	156
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 64,406</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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,
Lafourche Parish Tourist Commission,
Raceland, 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 the General Fund of Lafourche Parish Tourist Commission (the "Commission") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Commission's financial statements and have issued our report thereon dated May 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
May 18, 2022.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section II - Financial Statement Findings

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2021.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2020.

No significant deficiencies were reported during the audit for the year ended December 31, 2020.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2021.

No significant deficiencies were reported during the audit for the year ended December 31, 2021.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Lafourche Parish Tourist Commission's (the "Commission") management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are described in Schedule 2.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standard*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet out other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statue 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 18, 2022.

**SCHEDULE OF PROCEDURES AND ASSOCIATED
FINDINGS OF THE STATEWIDE AGREED-UPON PROCEDURES**

Lafourche Parish Tourist Commission

For the year ended December 31, 2021

The required procedures and our findings are as follows:

Procedures Performed on the Commission's Written Policies and Procedures:

1. Obtain and inspect the Commission's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Commission's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing.
Exceptions: There were no exceptions noted
 - c) Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Performance: Obtained and read the written policy for receipts, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Written Policies and Procedures: (Continued)

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel.
Exceptions: There were no exceptions.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the written policy for contracting.
Exceptions: There were no exceptions noted.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards.
Exceptions: There were no exceptions noted.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement.
Exceptions: There were no exceptions noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Commission's ethics policy.
Performance: Obtained and read the written policy for ethics.
Exceptions: There were no exceptions noted.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Inquired of management as to debt service policy.
Exceptions: Management confirmed there was no debt and no debt service policy, no exceptions.

Procedures Performed on the Commission's Written Policies and Procedures: (Continued)

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for disaster recovery/business continuity.

Exceptions: There were no exceptions noted.

- l) Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Inquired of management as to sexual harassment policy

Exceptions: The policy did not include provisions for annual employee training and annual reporting for sexual harassment.

Procedures Performed on the Commission's Board or Finance Committee:

- 2. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read written minutes of board meetings. The Board is required to meet monthly. All meetings had a quorum.

Exception: There was no exceptions noted

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Performance: Obtained and read written minutes of board meetings.

Exception: There were no exceptions noted.

Procedures Performed on the Commission's Board or Finance Committee: (Continued)

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the general fund. The general fund did not have a negative ending unrestricted fund balance.

Exceptions: There was no exception noted.

Procedures Performed on the Commission's Bank Reconciliations:

3. Obtain a listing of the Commission's bank accounts from management and management's representation that the listing is complete. Management will identify the main operating account. Select the Commission's main operating account and select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management, and received the management's representation in a separate letter.

Exceptions: There was no exception noted.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained the Commission's bank reconciliation for December and observed that the reconciliation included signature of preparer and was dated within two months of related statement.

Exceptions: There were no exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Obtained the Commission's bank reconciliation and observed that the reconciliation was reviewed by a member who does not handle cash.

Exceptions: There was no exception noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Obtained the Commission's bank reconciliation and observed that there were no outstanding items for more than 12 months of statement closing date.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter. The Commission has one deposit site.
Exceptions: There were no exceptions noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter. The Commission has one deposit site with one collection location.
Exceptions: There were no exceptions noted.
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
Performance: Inspected policy manuals and inquired of management and observed employees do not share cash drawers/registers.
Exceptions: There were no exceptions noted.

 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
Performance: Inspected policy manuals and inquired of management and observed employees collecting cash are not responsible for making deposits.
Exceptions: There were no exceptions noted.

 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.
Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Collections: (Continued)

- d) The employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals and inquired of management and observed employees performing reconciliations do not collect cash.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: The Commission's operating account is the only bank account. Obtained supporting documentation for the two selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed that the deposit was made within one business day of receipt.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Collections: (Continued)

- e) Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
Performance: Obtained the listing of location that process payments, and received management's representation in a separate letter. The Commission only has one location that processes payments.
Exceptions: There were no exceptions noted.
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.
 - b) At least two employees are involved in processing and approving payments to vendors.
Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above. The Office Manager has access to add/modify vendors and is also responsible for processing payments. However, all additions/modifications are approved by President.

Exceptions: There were no exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

10. For each location selected under #8 above, obtain the Commission's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the Commission's general ledger for the fiscal period, and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the Commission.

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.

Exceptions: There were no exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Inquired of management about active credit cards, bank debit cards, fuel cards, and P-cards. The Commission maintains three credit cards.

Exceptions: There were no exceptions noted.

12. Using the listing prepared by management, select five cards (or all cards if less than five) that were used during the fiscal period, rotating cards each year. Randomly select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Performance: Obtained January and August combined statements from management and observed the statement approval.

Exceptions: The statements did not include a signature by someone other than the authorized card holder showing review and approval of monthly statements.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Obtained January and August combined statements from management and observed that no finance or late fees were assessed.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Performance: Obtained January and August combined statements from management and observed that transactions meet all the above criteria.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements:

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Obtained a list of all travel and related expense reimbursements.

Management's representation of the listing was confirmed in a separate letter.

Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Inspected travel and expense reimbursements and observed per diem rates used were the GSA rates.

Exceptions: There were no exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Inspected travel and expense reimbursements to observe that expenses were supported by an itemized receipt.

Exceptions: There were no exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Performance: Inspected travel and expense reimbursement to observe that expenses included the business purpose.

Exceptions: There were no exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Inspected travel and expense reimbursement to observe that expenses included approval by someone other than the person receiving reimbursement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Contracts:

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Obtained a listing of all contracts in effect during the fiscal year from management, and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Inspected supporting contract documentation to legal requirements and inquired of client about any contracts subject to Louisiana Public Law. None of the contracts were subject to Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Inspected contract documentation. All were approved by the governing board.

Exceptions: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).

Performance: Inspected contracts and inquired of the client about any amendments to contracts during the fiscal year. There were no amendments in the fiscal year.

Exceptions: There were no exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Obtained supporting documentation for payments for each contract and agreed payment to the terms of the contract.

Exception: There were no exceptions noted.

Procedures Performed on the Commission's Payroll and Personnel

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

Performance: Obtained a listing of employees during the fiscal year from management, and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

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

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test attendance and leave taken during that period. Inspected time sheets for record of attendance and leave during the period.

Exceptions: There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees.

Performance: Inspected time sheets for the approval of attendance and inspected leave forms for approval of leave during the period.

Exceptions: There were no exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the Commission's cumulative leave records.

Performance: Inspected time sheets for the approval of attendance and inspected leave forms for approval of leave during the period.

Exceptions: There were no exceptions noted.

- d) Observe that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.

Performance: Observed the pay rate agreed to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Payroll and Personnel (Continued)

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

Performance: No employees terminated during the fiscal year. Testing is not applicable.

Exceptions: There were no exceptions noted.

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

Performance: Obtained representation that employer and employee's portions of third-party related amounts were paid and filed by the required deadline. We examined several payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

Procedure Performed on the Commission's Ethics:

20. Using the five randomly selected employees from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

Performance: Observed that selected employee's files included documentation of ethics training completed during the fiscal year.

Exceptions: There were no exceptions noted.

- b) Observe that the Commission maintains documentation which demonstrates each employee was notified of any changes to the Commission's ethics policy during the fiscal period, as applicable.

Performance: Observed personnel file for signature verification for the reading of the ethics policy.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Debt Service:

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Performance: The Commission did not issue any bonds/notes during the fiscal year. Therefore, testing was not required in the current year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Performance: The Commission did not have any bonds/notes at the end of the fiscal year. Therefore, testing was not required in the current year.

Procedures Performed on the Commission's Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Commission reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Commission is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets, none were noted.

Exceptions: There were no exceptions noted.

24. Observe that the Commission has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted on its premises.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Commission's Information Technology Disaster Recovery/
Business Continuity:**

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the Commission's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Performance: Obtained the Commission's most recent backup documentation and observed that a backup occurred within the past week. We performed the procedure and discussed the results with management.

Exceptions: There were no exceptions noted.

- b) Obtain and inspect the Commission's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.

Performance: Obtained the Commission's documentation regarding restoring backups and observed that test of backups were successfully performed within the past three months. We performed the procedure and discussed the results with management.

Exceptions: There were no exceptions noted.

- c) Obtain a listing of the Commission's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: Obtained a listing of the computers in use and managements' representation that the list is complete. Selected three computers and observed that current and active antivirus software was present. We performed the procedure and discussed the results with management.

Exceptions: There were no exceptions noted.

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

Performance: Examined personnel files and sexual harassment training documentation for the five employees tested.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Sexual Harassment:

27. Observe that the Commission has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Commission's premises if the Commission does not have a website).
Performance: Observed the sexual harassment policy and complaint procedure on the Commission's premises.
Exceptions: There were no exceptions noted.
28. Obtain the Commission's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
Performance: Inquired of management regarding the Commission's annual sexual harassment report for the fiscal period. There were no sexual harassment complaints during the year.
Exception: There were no exceptions noted.
 - b) Number of sexual harassment complaints received by the agency:
Performance: Inquired of management regarding the Commission's annual sexual harassment report for the fiscal period. There were no sexual harassment complaints during the year.
Exception: There were no exceptions noted.
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
Performance: Inquired of management regarding the Commission's annual sexual harassment report for the fiscal period. There were no sexual harassment complaints during the year.
Exception: There were no exceptions noted.
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Performance: Inquired of management regarding the Commission's annual sexual harassment report for the fiscal period. There were no sexual harassment complaints during the year.
Exception: There were no exceptions noted.

Procedures Performed on the Commission's Sexual Harassment: (Continued)

e) Amount of time it took to resolve each complaint.

Performance: Inquired of management regarding the Commission's annual sexual harassment report for the fiscal period. There were no sexual harassment complaints during the year.

Exception: There were no exceptions noted.

Management's Response to Exception Noted in Our Procedures:

11) Management will consider adding provisions for the sexual harassment training and reporting.

12a) Management will consider having the board treasurer review and approve the credit card statement.