

**DESOTO PARISH TOURISM COMMISSION**  
(a component of the DeSoto Parish Police Jury)  
Mansfield, Louisiana

**FINANCIAL REPORT**  
December 31, 2021

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

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As of and for the Year Ended December 31, 2021

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# Dees Gardner, Certified Public Accountants, LLC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the  
DeSoto Parish Tourism Commission  
Natchitoches, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the DeSoto Parish Tourism Commission, a component unit of the DeSoto Parish Government, 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 respective financial position of the governmental activities and the general fund of the DeSoto Parish Tourism Commission, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, listed as required supplementary information (Part I) in the table of contents and the Budgetary Comparison Schedule (listed as required supplementary information Part II), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeSoto Parish Tourism Commission's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and are not required parts of the basic financial statements.

Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the DeSoto Parish Tourism Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the DeSoto Parish Tourism Commission's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 22, 2022, on the results of our state-wide agree-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state-wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
June 22, 2022

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**December 31, 2021**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the DeSoto Parish Tourism Commission (Tourism Commission), we offer the readers of the Tourism Commission's financial statements this narrative overview and analysis of the financial activities of DeSoto Parish Tourism Commission as of and for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the Tourism Commission's basic financial statements and supplementary information provided in the report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Tourism Commission was determined to be a component unit of the DeSoto Parish Policy Jury. The accompanying financial statements present information only on the funds maintained by DeSoto Parish Tourism Commission.

**FINANCIAL HIGHLIGHTS**

DeSoto Parish Tourism Commission experienced an increase in its total net position of \$860,198 or 132.48% during the year. At December 31, 2021, the assets of the Tourism Commission exceeded its liabilities by \$1,509,501.

DeSoto Parish Tourism Commission's total revenues increased \$889,961 or 384% to \$1,121,897 in 2021 from \$231,936 in 2020, primarily due to a Louisiana Tourism Revival Fund grant received in 2021 and not in 2020.

Occupancy taxes increased \$26,679 (19.99%) to \$160,129 during the year ended December 31, 2021, compared to \$133,450 during 2020.

DeSoto Parish Tourism Commission's total expenses decreased \$7,524 or 2.79% to \$261,699 in 2021 from \$269,223 in 2020.

DeSoto Parish Tourism Commission's governmental fund balance increased \$862,299 or 133% from \$649,303 in 2020 to \$1,511,602 for the year ended December 31, 2021.

**OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which includes government-wide financial statements and fund financial statements. These two types of financial statements present the Tourism Commission's financial position and results of operations from differing perspectives, which are described as follows:

**Government-Wide Financial Statement**

The government-wide financial statements report information about the Tourism Commission as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Tourism Commission's assets and all of its liabilities. All of the Tourism Commission's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by an occupancy sales tax on hotel, motel & overnight camping facility stays and intergovernmental revenues in the form of grants.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**December 31, 2021**

**Fund Financial Statements**

Fund financial statements provide detailed information regarding the Tourism Commission's most significant activities and are not intended to provide information for the Tourism Commission as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Tourism Commission's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Tourism Commission's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

**Notes to the Financial Statements**

The notes to the financial statements 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 immediately following the basic financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Tourism Commission adopts an annual budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate budgetary compliance.

**Other Supplemental Information**

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

**FINANCIAL ANALYSIS OF THE TOURISM COMMISSION AS A WHOLE**

The comparison of net position from year to year serves to measure a government's financial position. As of December 31, 2021, the Tourism Commission's assets exceed its liabilities by \$1,509,501 (net position).

Unrestricted net position is 100% of total net position as of December 31, 2021, and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

Cash and cash equivalents increased \$856,842 (134.48%) from \$637,138 in 2020 to \$1,493,980 at December 31, 2021.

Accounts receivables, consisting of 100% occupancy taxes, increased \$5,982 (34.25%) from \$17,467 in 2020 to \$23,449 at December 31, 2021.

Total liabilities increased \$1,625 (25.79%) from \$6,302 in 2020 to \$7,927 at December 31, 2021.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**December 31, 2021**

A Summary of Statement of Net Position is as follows:

ASSETS	Governmental Activities	
	2021	2020
Cash and cash equivalents	\$ 1,493,980	\$ 637,138
Accounts receivable	23,449	17,467
Prepaid expense	-	1,000
Total assets	\$ 1,517,429	\$ 655,605
<b>LIABILITIES</b>		
Accounts Payable	\$ 3,669	\$ 349
Payroll Liabilities	2,158	2,168
Accrued compensated absences	2,100	3,785
Total liabilities	\$ 7,927	\$ 6,302
<b>NET POSITION</b>		
Unrestricted	1,509,501	649,303
Total net position	\$ 1,509,501	\$ 649,303

The following schedule compares revenues and expenses for the current and previous year. Total revenues increased by \$889,960 or 383.71% in 2021. Approximately, 85.69% of the Tourism Commission's total revenues for 2021 come from operating grants and contributions and 14.27% from occupancy taxes. Total expenses decreased \$7,524 or 2.79% in 2021.

Operating grants and contribution revenue for the Tourism Commission increased by \$863,612 (883.08%) in 2021, primarily due to a Louisiana Tourism Revival Fund grant received in 2021 and not in 2020.

A Summary of Statement of Activities is as follows:

	Governmental Activities	
	2021	2020
Program Revenues:		
Operating grants & contributions	\$ 958,651	\$ 97,795
General Revenues:		
Occupancy taxes	160,129	133,450
Misc Revenue	2,756	-
Interest earnings	361	691
Total revenues	1,121,897	231,936
Expenses		
Tourism	261,699	269,223
Total expenses	261,699	269,223
Increases in net position	860,198	(37,287)
Net Position, beginning	649,303	686,590
Net Position, ending	\$ 1,509,501	\$ 649,303

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**December 31, 2021**

**FINANCIAL ANALYSIS OF THE TOURISM COMMISSION'S GOVERNMENT FUNDS**

For the year ended December 31, 2021, the difference between the government-wide presentation and the fund financial statements is accrued uncompensated absences.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Tourism Commission complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq). The Tourism Commission adopted a budget for its General Fund for the year ended December 31, 2021. The budget was amended once during the year. Total budgeted revenues did not exceed actual revenues. Total actual expenditures were less than the final budget.

**DEBT ADMINISTRATION**

At December 31, 2021, the Tourism Commission had no debt.

**CAPITAL ASSETS**

The Tourism Commission did not acquire any capital assets in 2021.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The primary revenue source for the Tourism Commission is derived from a three percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the boundaries of DeSoto Parish. This tax is subject to changes in the economy in the short-term and in the long-term. In budgeting for the year ended December 31, 2022, the Tourism Commission expects expenses to increase as the grant revenue is used. Revenue will decrease because they are not expecting another large one-time grant.

**CONTACTING THE TOURISM COMMISSION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the finances for those funds maintained by the DeSoto Parish Tourism Commission and to show the Tourism Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Julie Rogers, Executive Director, at 872-1177.

## BASIC FINANCIAL STATEMENTS

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

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

December 31, 2021

	Governmental Fund Financial Statements		Government-wide Statements
	<b>Balance Sheet</b>		<b>Statement of</b>
	General Fund	Adjustments	<b>Net Position</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,493,980	\$ -	\$ 1,493,980
Accounts receivable	23,449	-	23,449
<b>TOTAL ASSETS</b>	<u>\$ 1,517,429</u>	<u>-</u>	<u>1,517,429</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 3,669	-	\$ 3,669
Payroll liabilities	2,158	-	2,158
Total current liabilities	<u>5,827</u>	<u>-</u>	<u>5,827</u>
Long-term liabilities:			
Accrued compensated absences	-	2,100	2,100
<b>TOTAL LIABILITIES</b>	<u>5,827</u>	<u>2,100</u>	<u>7,927</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund balances:			
Nonspendable:			
Prepaid expenses	-	-	
Unassigned	1,511,602	(1,511,602)	-
<b>TOTAL FUND BALANCES</b>	<u>1,511,602</u>	<u>(1,511,602)</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,517,429</u>	<u>(1,509,502)</u>	<u>-</u>
Net position:			
Unrestricted		1,509,502	1,509,502
<b>TOTAL NET POSITION</b>		<u>\$ -</u>	<u>\$ 1,509,502</u>

See accompanying notes and independent auditor's report.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
December 31, 2021

Total Net Position reported for Governmental Activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Fund	\$	1,511,602
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds		
Accrued compensated absences		(2,100)
Net Position of Governmental Activities	\$	<u><u>1,509,502</u></u>

See accompanying notes and independent auditor's report.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

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

December 31, 2021

	Governmental Fund Financial Statements <b>Statement of Revenues Expenditures, and Changes in Fund Balance</b>	Adjustments	Government-wide Statements <b>Statement of Activities</b>
	General Fund		
<b>EXPENDITURES/EXPENSES</b>			
Tourism:			
Personnel & related benefits	\$ 69,212	\$ 2,100	\$ 71,312
Advertising and marketing	118,093	-	118,093
Operating expenses	66,293	-	66,293
Sub-recipient grants	6,000	-	6,000
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>259,598</b>	<b>2,100</b>	<b>261,698</b>
<b>PROGRAM REVENUES</b>			
Operating grants & contributions:			
State Grants	142,874	-	142,874
Federal Grants	815,777	-	815,777
<b>TOTAL PROGRAM REVENUES</b>	<b>958,651</b>	<b>-</b>	<b>958,651</b>
<b>NET PROGRAM REVENUE (EXPENSE )</b>	<b>699,053</b>	<b>2,100</b>	<b>696,953</b>
<b>GENERAL REVENUES</b>			
Occupancy taxes	160,129	-	160,129
Miscellaneous revenue	2,756	-	2,756
Interest earnings	361	-	361
<b>TOTAL GENERAL REVENUES</b>	<b>163,246</b>	<b>-</b>	<b>163,246</b>
<b>NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION</b>	<b>862,299</b>	<b>(2,100)</b>	<b>860,199</b>
<b>FUND BALANCE / NET POSITION</b>			
Beginning of the year	649,303		649,303
End of the year	\$ 1,511,602		\$ 1,509,502

See accompanying notes and independent auditor's report.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
December 31, 2021

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

Net Change in Fund Balances, Governmental Fund	\$	862,299
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Compensated absences		<u>(2,100)</u>
Change in Net Position of Governmental Activities	\$	<u><u>860,199</u></u>

See accompanying notes and independent auditor's report.

## NOTES TO THE FINANCIAL STATEMENTS

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2021

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## INTRODUCTION

The DeSoto Parish Tourism Commission was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 33:4574 on June 13, 1984 with the purpose of the promotion of tourism within DeSoto Parish. The Tourism Commission is governed by a seven-member commission appointed by the Police Jury. Appointments are made from a list of nominees submitted to the Police Jury by the DeSoto Parish Chamber of Commerce. The directors are appointed for terms of three years. The commission shall do all things necessary for the promotion and the advertisement and publication of information relating to tourist attractions within DeSoto Parish. The Tourism Commission has one part-time administrative paid employee and one full-time director.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the DeSoto Parish Tourism Commission have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the DeSoto Parish Tourism Commission are discussed below.

### A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and which component units should be included within the reporting entity. Under provisions of this Statement, the DeSoto Parish Tourism Commission was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the Tourism Commission because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the Tourism Commission and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### B. BASIS OF PRESENTATION

The DeSoto Parish Tourism Commission's basic financial statements consists of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

### **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2021

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### B. BASIS OF PRESENTATION (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Tourism Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### **Fund Financial Statements**

The accounts of the Tourism Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The minimum number of funds is maintained consistent with legal and managerial requirements.

A fund is considered major if it is the primary operating fund of the entity. The only fund of the Tourism Commission is considered a major fund and is classified as a governmental fund as described below:

General Fund. The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Tourism Commission and is used to account for the operations of the Tourism Commission. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Tourism Commission's policy.

##### C. MEASUREMENT FOCUS/ 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" revenues, expenditures, expenses, transfers of assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

##### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2021

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING (continued)

###### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Occupancy taxes are recorded in the year in which the taxes are collected. Intergovernmental revenues and grants are recognized when received. Interest income on deposits is recorded monthly when the interest is earned and credited to the account.

Expenditures. Salaries are recorded when employee services are paid. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related liability is incurred.

##### D. ASSETS, LIABILITIES AND EQUITY

###### **Cash and interest-bearing deposits**

Cash includes amounts in demand accounts, interest-bearing demand deposits, and certificates of deposits with a 90-day or less maturity term at time of purchase. Under state law, the Tourism Commission may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Tourism Commission may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

###### **Accounts Receivable**

The only receivable for the governmental activities is occupancy taxes. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectible is used.

###### **Compensated Absences**

Vested or accumulated vacation leave or compensatory time earned that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of compensated absences not expected to be liquidated with expendable available financial resources are not reported in the fund financial statements. No accrued current expenditures are reported in the governmental funds, as the amounts are considered immaterial.

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2021

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### D. ASSETS, LIABILITIES AND EQUITY (continued)

The full liability and related costs are reported in the government-wide financial statements. The non-current portion represents a reconciling item between the fund and government-wide statements.

Employees of the Library earn 5 to 22 days of vacation leave depending on their length of service. No leave is earned, however, while on suspension or leave with pay status. Annual leave may be accumulated to a maximum of 5 to 22 days depending on the employees' length of service. Time in excess will be forfeited. Temporary employees and substitutes are not eligible for vacation time.

Regular full-time employees earn a certain amount of sick leave each year, depending upon their status and hours worked. Unused sick leave is allowed to accumulate without limit. Upon separation of employment, excluding retirement, no sick leave shall be paid to employees

##### **Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Tourism Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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 Bureau's assets are currently limited to furniture and fixtures with useful lives of 5-7 years.

At December 31, 2021 the Tourism Commission has \$7,571 in fully depreciated assets, therefore no asset is reported in the statement of net position.

##### **Equity Classifications**

##### Net Position

The Tourism Commission classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Tourism Commission's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Tourism Commission.

**DESOTO PARISH TOURISM COMMISSION**

**Mansfield, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. ASSETS, LIABILITIES AND EQUITY** (continued)

Fund Balances

In accordance with GASB Statement No. 54, the Tourism Commission classifies fund balances in governmental funds as follows:

- Nonspendable- Resources that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- Restricted- Resources constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Resources constrained by the Tourism Commission itself. To be reported as committed, amounts cannot be used for any other purpose unless the Tourism Commission takes the action to remove or change the constraint.
- Assigned- Resources the Tourism Commission intends to use for a specific purpose.
- Unassigned- Resources that are available for any purpose.

The Tourism Commission establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget. The Tourism Commission would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

The General Fund, the Tourism Commission's only governmental fund, has an unassigned fund balance of \$1,511,602.

**E. USE OF ESTIMATES**

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

**2. CASH AND INTEREST-BEARING DEPOSITS**

At December 31, 2021, the Tourism Commission had cash and cash equivalents totaling \$1,493,980 (book balance) as follows:

Interest Bearing Demand Deposits	\$ 1,477,102
Time Deposits	16,878
	<u>\$ 1,493,980</u>

The cash of the DeSoto Parish Tourism Commission is subject to the following risks:

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2021

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## 2. CASH AND INTEREST-BEARING DEPOSITS (continued)

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tourism Commission that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Tourism Commission's name.

At December 31, 2021, the Tourism Commission had \$1,494,442 in deposits (collected bank balances). These deposits were secured from risk by \$436,229 of federal deposit insurance and \$1,058,213 in pledged securities with a market value of \$1,278,131.

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of the certificate of deposit. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Tourism Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Tourism Commission's deposits are in interest bearing and non-interest bearing checking and savings accounts and short-term certificates of deposit which limits exposure to fair value losses.

## 3. LEVIED TAXES

Pursuant to RS 33:4574(B) the Tourism Commission is authorized to levy and collect a three percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the boundaries of the Tourism Commission. Collections are made through the DeSoto Parish Sales tax commission and remitted to the Tourism Commission monthly through the DeSoto Parish Police Jury. The Tourism Commission recognizes occupancy tax revenues when collected. Total of occupancy tax revenues recognized in 2021 by the Tourism Commission was \$160,129.

## 4. RISK MANAGEMENT

The Tourism Commission is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets and errors and omissions. To reduce these risks, the Tourism Commission purchases commercial insurance. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2021.

## 5. LITIGATION

There is no litigation pending against the Tourism Commission, at December 31, 2021, nor is it aware of any unasserted claims.

## 6. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. There were no related party transactions.

**DESOTO PARISH TOURISM COMMISSION**

**Mansfield, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2021

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**7. COMPENSATION PAID TO BOARD MEMBERS**

The members of the Board of Commissioners of the Tourism Commission receive no compensation for their services.

**8. RETIREMENT COMMITMENTS**

The Tourism Commission has two employees who are members of the Federal Social Security System. The Tourism Commission's contribution to the Federal Social Security System was \$3,561. The one full-time employee had \$1,500 contributed to an individual retirement account for December 31, 2021.

**9. SUBSEQUENT EVENTS**

Management has performed an evaluation of the Tourism Commission's activities through June 22, 2022 and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
 December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Occupancy taxes	\$ 125,000	\$ 125,000	\$ 160,129	\$ 35,129
Operating grants and contributions	85,000	156,939	958,651	801,712
Miscellaneous revenue	-	-	2,756	2,756
Interest income	900	900	361	(539)
Total revenues	<u>210,900</u>	<u>282,839</u>	<u>1,121,897</u>	<u>839,058</u>
<b>Expenditures</b>				
Tourism:				
Personnel & related benefits	77,200	84,927	69,212	15,715
Advertising and marketing	178,720	235,658	118,093	117,565
Operating expenses	54,980	64,879	66,293	(1,414)
Sub-recipient grants	-	-	6,000	(6,000)
Total expenditures	<u>310,900</u>	<u>385,464</u>	<u>259,598</u>	<u>125,866</u>
 Net Change in Fund Balance	 (100,000)	 (102,625)	 862,299	 964,924
 <b>Fund balances, beginning of year, restated</b>	 <u>649,303</u>	 <u>649,303</u>	 <u>649,303</u>	 <u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 549,303</u>	<u>\$ 546,678</u>	<u>\$ 1,511,602</u>	<u>\$ 964,924</u>

See accompanying notes and independent auditor's report.

## OTHER SUPPLEMENTAL INFORMATION

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

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

December 31, 2021

**Julie Rogers, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 48,000
Benefits-insurance (medicare taxes)	696
Benefits- retirement (Social Security taxes)	2,976
Benefits - Health insurance	931
Benefits - Retirement	1,500
Car allowance	-
Cell phone allowance	180
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	3,049
Registration fees	-
Conference travel	-
Training	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	\$ 57,332

See independent auditor's report.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING  
STANDARDS*



## Dees Gardner, Certified Public Accountants, LLC

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### **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

DeSoto Parish Tourist Bureau  
Mansfield, Louisiana

We have audited, 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, the financial statements of the governmental activities and the major fund of the DeSoto Parish Tourist Bureau, a component unit of the DeSoto Parish Policy Jury, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Tourist Bureau's basic financial statements and have issued our report thereon dated June 22, 2022.

#### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-01 that we consider to be a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the DeSoto Parish Tourist Bureau's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

## **DeSoto Parish Tourist Bureau's Responses to Findings**

DeSoto Parish Tourist Bureau's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. DeSoto Parish Tourist Bureau's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of the DeSoto Parish Tourist Bureau, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report which is a matter of public record and is distributed by the Louisiana Legislative Auditor under Louisiana Revised Statute 21:513.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
June 22, 2022

**DESOTO PARISH TOURIST BUREAU**  
**Mansfield, Louisiana**  
 Schedule of Findings and Responses  
 For the Year ended December 31, 2021

**Part I. Summary of Auditor's Results**

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of the DeSoto Parish Tourist Bureau as of and for the year ended December 31, 2021, and have issued our report thereon dated June 22, 2022. 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 audit of the financial statements as of December 31, 2021, resulted in an unmodified opinion.

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:

Internal Control

Significant Deficiency	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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A management letter was not issued.

FEDERAL AWARDS

Not applicable

**Part II. Findings relating to the Financial Statements which are required to be Reported under *Government Auditing Standards*.**

FINDINGS RELATED TO INTERNAL CONTROL

**2021-01.** Inadequate design of internal control over financial closing and reporting.

*Criteria:* Management has a duty to maintain controls to ensure financial statements are reliable. Controls should be in place to assure that transactions are classified correctly and are complete.

*Condition:* Transactions are not recorded to permit preparation of financial statements in conformity with GAAP.

*Cause:* The DeSoto Parish Tourist Bureau's staff lacks knowledge necessary to internally complete the adjusting and closing entries for financial statement reporting requirements.

*Effect:* The DeSoto Parish Tourist Bureau's management and staff may not identify material misstatements in the financial statements.

*Recommendation:* The Tourist Bureau should either: 1) obtain the resources and/or knowledge necessary to internally prepare the closing and adjusting entries and preparing the financial statements in accordance with GAAP, or 2) determine if the cost of 1) overrides the benefit of correcting this control deficiency.

*Management's Response:* Management and the Board of Commissioners has established a commitment to ethical values and integrity and reviews a budget to actual report each month and asks for explanations. Management has password protected software which is limited to the director and bookkeeper. The bookkeeper reconciles all accounts monthly. Year-end adjustments are proposed, and financial statements are prepared by the auditor. Management and certain members of the board will review and approve them.

**DESOTO PARISH TOURIST BUREAU**  
**Mansfield, Louisiana**  
Schedule of Prior Year Findings  
For the Year ended December 31, 2021

Note: Financial statements prior to 2021 were subject to review/attestations.

- 1) 2020 attestation procedure No. 9(b), proper coding of a disbursement. Resolved in 2021.
- 2) 2020 attestation procedure No. 9(c), proper approval of a disbursement. Resolved in 2021.

## OTHER REPORT



# Dees Gardner, Certified Public Accountants, LLC

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To Board of Commissioners of the  
DeSoto Parish Tourist Bureau and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the DeSoto Parish Tourist Bureau (the Tourist Bureau) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Tourist Bureau's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
*No exceptions were noted as a result of this procedure.*
  - 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.  
*No exceptions were noted as a result of this procedure.*
  - c) **Disbursements**, including processing, reviewing, and approving.  
*No exceptions were noted as a result of this procedure.*
  - 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.  
*No exceptions were noted as a result of this procedure.*
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*No exceptions were noted as a result of this procedure.*

**Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*No exceptions were noted as a result of this procedure.*

- f) **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).

*No exceptions were noted as a result of this procedure.*

- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions were noted as a result of this procedure.*

- h) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*No exceptions were noted as a result of this procedure.*

- i) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

### **Board or Finance Committee**

---

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

*Obtained and inspected the board minutes for the fiscal period, as well as the board's enabling legislation and bylaws in effect during the fiscal period.*

- 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.

*No exceptions were noted as a result of this procedure.*

- 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 and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

*Meeting minutes do not specifically site budget-to-actual comparisons.*

- 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.

*Section not applicable to entity.*

**Management's response: We do review the budget to actual comparisons at the meetings. We will now state that in the minutes.**

### **Bank Reconciliations**

---

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

*A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 1 additional account was selected for review.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions were noted as a result of this procedure.*

- 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

*No exceptions were noted as a result of this procedure*

- 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.

*The entity had one outstanding item for more than 12 months.*

**Management's response: The outstanding items on the bank reconciliations will be monitored more closely for older outstanding items and researched.**

### **Collections (excluding EFTs)**

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*A listing of collection locations and management's representation that the listing is complete was obtained. The only collection location of the entity was selected.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*The entity does not make any cash collections. The only collections received are checks by mail. No cash drawers or registers are required.*

- 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.

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions were noted as a result of this procedure.*

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*Only one bank account under procedure #3 had applicable deposits to test under this section. Two random deposits were selected for testing.*

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

*Section not applicable to entity.*

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

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*The entity does not utilize a purchase order system due to personnel limitations and the limited amount of applicable purchases made. The board approves all payments and approves all significant purchases made.*

- b) At least two employees are involved in processing and approving payments to vendors.

*All disbursements are made by check and checks require two signatures. Additionally, multiple board members initial approval for each disbursement.*

- 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.

*No exceptions were noted as a result of this procedure.*

- 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.

*No exceptions were noted as a result of this procedure.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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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.

*A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

*A random monthly statement for the only card of the entity selected for review.*

- 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.

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions were noted as a result of this procedure.*

### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*A listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete were obtained.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

- 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).

*No exceptions were noted as a result of this procedure*

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

*No exceptions were noted as a result of this procedure.*

### **Contracts**

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete were obtained.*

- 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.  
*No applicable contracts were observed.*
- 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).  
*No exceptions were noted as a result of this procedure.*
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.  
*No exceptions were noted as a result of this procedure.*
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
*No exceptions were noted as a result of this procedure.*

### **Payroll and Personnel**

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
*A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. The only two employees of the entity selected for review.*
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).  
*No exceptions were noted as a result of this procedure.*
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.  
*No exceptions were noted as a result of this procedure.*
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.  
*No exceptions were noted as a result of this procedure.*
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.  
*No terminations reported by entity.*
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.  
*No exceptions were noted as a result of this procedure.*

## **Ethics**

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.  
*No exceptions were noted as a result of this procedure.*
  - Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.  
*The employees did not sign to verify having read the entities ethics policy.*

## **Debt Service**

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.  
*Section not applicable to entity.*
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).  
*Section not applicable to entity.*

## **Fraud Notice**

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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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.  
*No misappropriations reported by entity.*
24. Observe that the entity 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.  
*No exceptions were noted as a result of this procedure.*

## **Information Technology Disaster Recovery/Business Continuity**

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- Obtain and inspect the entity'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.  
*No exceptions were noted as a result of this procedure.*

- b) Obtain and inspect the entity'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 3 months.

*No exceptions were noted as a result of this procedure.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*No exceptions were noted as a result of this procedure.*

### **Sexual Harassment**

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

*No exceptions were noted as a result of this procedure.*

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

*No exceptions were noted as a result of this procedure.*

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

*The entity did not have any sexual harassment complaints in the current year.*

- a) Number and percentage of public servants in the agency who have completed the training requirements;

*100%.*

- b) Number of sexual harassment complaints received by the agency;

*0.*

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

*0.*

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*0.*

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

*0.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs.

Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, LA  
June 22, 2022