

Cane River National Heritage Area, Inc.

Natchitoches, Louisiana

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
September 30, 2022
with Supplemental Information Schedules

KENNETH D. FOLDEN & CO.

CERTIFIED PUBLIC ACCOUNTANTS, LLC

302 EIGHTH STREET
JONESBORO, LA 71251
(318) 259-7316

FAX (318) 259-7315
ahuckaby@foldenepa.com

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KENNETH D. FOLDEN & CO.

Certified Public Accountants, LLC

Kenneth D. Folden, CPA
kfolden@foldencpa.com

Alayna C. Huckaby, CPA
ahuckaby@foldencpa.com

Independent Auditor's Report

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cane River National Heritage Area, Inc., as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Cane River National Heritage Area, Inc.'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 modified accrual basis financial position of the governmental activities and each major fund of the Cane River National Heritage Area, Inc., as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows 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. 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 Cane River National Heritage Area, Inc., 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.

Responsibility 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 and for 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 Cane River National Heritage Area, Inc.'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 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 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 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, 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 Cane River National Heritage Area, Inc.'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 Cane River National Heritage Area, Inc.'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 budgetary comparison information 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cane River National Heritage Area, Inc.'s basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated March 31, 2023, on the results of our statewide agreed-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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2023 on our consideration of the Cane River National Heritage Area, Inc.'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 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 Cane River National Heritage Area, Inc.'s internal control over financial reporting and compliance.

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana

March 31, 2023

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Statement of Net Position
As of September 30, 2022

		Governmental Activities
Assets		
Cash and equivalents	\$	259,943
Accounts receivable		981,000
Cash and equivalents - restricted		240,000
Capital assets (net of accumulated depreciation)		528,617
Total Assets		2,009,560
Liabilities		
Current Liabilities		
Accounts payable		22,814
Payroll liabilities		2,241
Interest payable		4,963
Lease payable-current		5,962
Notes payable		220,563
Non-Current Liabilities		
Compensated absences		17,963
Lease payable-noncurrent		10,433
Total Liabilities		284,939
Net Position		
Net investment in capital assets		528,617
Restricted		1,160,785
Unrestricted		35,220
Total Net Position	\$	1,724,622

The accompanying notes are an integral part of these financial statements.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Statement of Activities
For the Year Ended September 30, 2022

	Major Funds			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>					
Primary government					
Governmental activities					
General government	\$ 689,848	\$ -	\$ 695,031	\$ -	5,183
Total governmental activities	<u>\$ 689,848</u>	<u>\$ -</u>	<u>\$ 695,031</u>	<u>\$ -</u>	<u>5,183</u>
Other revenue					<u>2,464</u>
Total general revenues and transfers					<u>2,464</u>
Change in net position					<u>7,647</u>
Net position - September 30, 2021					<u>1,716,976</u>
Net position - September 30, 2022					<u>\$ 1,724,623</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Balance Sheet - Governmental Funds
As of September 30, 2022

		Governmental Funds
Assets		
Cash and equivalents	\$	259,943
Accounts receivable		981,000
Cash and equivalents - restricted		240,000
Total Assets	\$	<u>1,480,943</u>
Liabilities & Fund Balances		
Liabilities:		
Accounts payable	\$	22,814
Payroll liabilities		2,241
Notes payable		220,563
Lease payable		5,962
Interest payable		4,963
Total Liabilities		<u>256,543</u>
Fund balances:		
Restricted, reported in:		
Federal appropriation		1,189,180
Assigned, reported in:		
Non-federal community fund		5,234
Unassigned, reported in:		
Non-federal community fund		29,987
Total Fund Balances		<u>1,224,401</u>
Total Liabilities and Fund Balances	\$	<u>1,480,944</u>

The accompanying notes are an integral part of these financial statements.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of September 30, 2022

Total Fund Balances at September 30, 2022 - Governmental Funds (Statement C)	\$	1,224,400
Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.		528,617
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences		(17,963)
Lease payable-noncurrent		(10,433)
		(28,396)
Net Position at September 30, 2022	\$	1,724,621

The accompanying notes are an integral part of these financial statements.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended September 30, 2022

	Governmental Funds
Revenues	
Federal appropriation	\$ 648,000
Non-federal appropriation	47,031
Miscellaneous	2,464
Total revenues	697,495
Expenditures	
Administrative and Operations	386,951
Marketing and Visitor Services	78,809
Signage	18,286
Travel and Training	8,631
Planning	57,200
Resource, Inventory, Development, and Interpretation	18,148
Grants and Projects	91,037
Capital Outlay	20,481
Total expenditures	679,543
Excess (deficiency) of revenues over (under) expenditures	17,952
Other financing sources (uses)	
Interest earnings	-
Lease proceeds	17,885
Lease expenditures	(7,452)
Interest expense	(10,525)
Total other financing sources (uses)	(92)
Net changes in fund balances	17,860
Fund balances - September 30, 2021	1,206,541
Fund balances - September 30, 2022	\$ 1,224,401

The accompanying notes are an integral part of these financial statements.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended September 30, 2022

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	17,860
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(18,523)
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Capital outlay		20,481
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Decrease (increase) in compensated absences		(1,738)
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Lease principal expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of lease payable on the Government-Wide Statements. Lease proceeds, which is considered an other financing source on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is an increase in capital assets on the Government-Wide Statements.

Lease principal expense		7,452
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Lease proceeds		(17,885)
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Change in net position of governmental activities (Statement B)	\$	<u>7,647</u>
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**NOTES TO THE
FINANCIAL STATEMENTS**

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

INTRODUCTION

The Cane River National Heritage Area, Inc. is the management entity of the Cane River Heritage Area, a site designated by the federal government and intended to encourage historic preservation of the area in appreciation of the history and heritage of the site. The Cane River National Heritage Area encompasses approximately 116,000 acres.

The Cane River National Heritage Area, Inc. is a state and federally recognized 501(c)(3) non-profit corporation, and it is considered a quasi-public entity for reporting purposes. It became the federally-approved management entity of the Cane River National Heritage Area on August 6, 2010. Cane River National Heritage Area, Inc. is governed by a board of directors in accordance with the bylaws of the corporation; the board is comprised of not less than five (5) nor more than twenty-five (25) directors.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Cane River National Heritage Area, Inc. have been prepared in conformity with 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 CRNHA applies all relevant GASB pronouncements, and GAAP, as applicable to governmental entities. Also, the CRNHA's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

The Cane River National Heritage Area, Inc. is a legally separate, non-profit, quasi-public corporation. Based on the criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, the Cane River National Heritage Area, Inc. has presented its financial statements as a primary governing body, is legally separate, and is fiscally independent of other state and local governments. Accordingly, the Cane River National Heritage Area, Inc. is viewed as being fiscally independent for purposes of applying the reporting criteria of GASB 14.

C. Government-Wide Financial Statements

The Cane River National Heritage Area, Inc.'s government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present a summary of the governmental activities. Fiduciary activities of the Cane River National Heritage Area, Inc. are not included in these statements.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Cane River National Heritage Area, Inc.'s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Cane River National Heritage Area, Inc.'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 recipient for goods or services offered by the program, 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.

D. Fund Financial Statements

The accounts of the Cane River National Heritage Area, Inc. are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. 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. The minimum number of funds maintained is consistent with legal and managerial requirements. The Cane River National Heritage Area, Inc. has only one category of funds, which is the governmental fund.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Cane River National Heritage Area, Inc. has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Cane River National Heritage Area, Inc. reports the following major governmental funds:

General Fund - The primary operating fund of the Cane River National Heritage Area, Inc., the General Fund accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Cane River National Heritage Area, Inc. policy.

Revenues

The governmental funds use the following practices in recording revenues:

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

E. Equity Classifications

The Cane River National Heritage Area, Inc. has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification 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 these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the CRNHA is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Cane River National Heritage Area, Inc. did not have any nonspendable funds for the year ended September 30, 2022.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Cane River National Heritage Area, Inc. had \$1,189,180 restricted for federal appropriation for the year ended September 30, 2022.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The Cane River National Heritage Area, Inc. did not have any committed funds for the year ended September 30, 2022.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

Assigned: This classification includes amounts that are constrained by the Cane River National Heritage Area, Inc.'s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board delegating this responsibility to a body or official for specific purposes. The Cane River National Heritage Area, Inc. had assigned funds of \$5,234 for use in non-federal community appropriations for the year ended September 30, 2022.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The Cane River National Heritage Area, Inc. has \$29,987 that is designated as unassigned.

The Cane River National Heritage Area, Inc. 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 to defer the use of these other classified funds.

F. Budgets

Prior to the beginning of each fiscal year, the Cane River National Heritage Area, Inc. adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting. The budget was adopted on September 28, 2021. There were no amendments to the budget.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Cane River National Heritage Area, Inc. may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Cane River National Heritage Area, Inc. may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Cane River National Heritage Area, Inc. may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Cane River National Heritage Area, Inc. reports restricted assets, if any, on the Statement of Net Position (Statement A).

H. Investments

The Cane River National Heritage Area, Inc.'s investments comply with Louisiana Revised Statute 33:2955. Under state law, the CRNHA 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 Cane River National Heritage Area, Inc. may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Cane River National Heritage Area, Inc. reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment 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 CRNHA maintains a threshold level of \$500 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Leasehold improvements	20 years
Furniture, fixtures, and equipment	5 - 10 years

J. Deferred Outflows of Resources

The Cane River National Heritage Area, Inc. reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The Cane River National Heritage Area, Inc. did not report any deferred outflows of resources, and no deferred outflows of resources affect the governmental funds financial statements.

K. Compensated Absences

Full-time employees of the Cane River National Heritage Area, Inc. earn vacation hours based on the number of years of continuous service. Sick leave shall be accrued by each full-time employee at a rate of 12 days per year. Vacation and sick leave may be accumulated from year to year. Upon termination or retirement, employees are entitled to be paid a maximum of 480 hours of sick leave, 480 hours of vacation, and 240 hours of compensatory time. At September 30, 2022, 2021, and 2020, the recorded amount for compensated absences is \$17,963, \$16,224, and \$12,111.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

L. Deferred Inflows of Resources

The Cane River National Heritage Area, Inc. reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position. The Cane River National Heritage Area, Inc. will not recognize the related revenues until a future event occurs. The Cane River National Heritage Area, Inc. did not report any deferred inflows of resources in the government-wide statements, and no deferred inflows of resources affect the governmental funds financial statements.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash, Cash Equivalents, and Investments

At September 30, 2022, the Cane River National Heritage Area, Inc. had cash and cash equivalents (book balances) totaling \$499,943, including \$200 cash on hand. These deposits are stated at cost, which approximates market. 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.

At September 30, 2022, the Cane River National Heritage Area, Inc. had \$508,865 in deposits (collected bank balances). These deposits are secured from risk by \$508,865 of federal deposit insurance, and \$744,148 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Cane River National Heritage Area, Inc. has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the Cane River National Heritage Area, Inc. at September 30, 2022. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Cane River National Heritage Area, Inc. has cash and cash equivalents that are covered by \$508,865 of federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

At September 30, 2022, the Cane River National Heritage Area, Inc. had no investments.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

3. Receivables

The receivables of \$981,000 at September 30, 2022, are as follows:

Revenue Receivable-NPS '21 Appropriation	\$	390,000
Revenue Receivable-NPS '22 Appropriation		591,000
Total	\$	<u>981,000</u>

4. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2022, is as follows:

	Balance, October 01, 2021	Additions	Deletions	Balance, September 30, 2022
Capital assets not depreciated				
Construction in progress	\$ 496,395	\$	\$ 496,395	\$
Total capital assets not being depreciated	<u>496,395</u>	-	<u>496,395</u>	-
Capital assets being depreciated and amortized				
Leasehold improvements	\$ 17,884	\$ -	\$ -	\$ 17,884
Building	-	496,395	-	496,395
Office equipment	37,388	838	-	38,226
Office furniture	19,269	1,758	-	21,027
Signs	16,157	-	-	16,157
Leased assets	-	17,885	-	17,885
Total capital assets being depreciated	<u>\$ 90,697</u>	<u>\$ 516,876</u>	<u>\$ -</u>	<u>\$ 607,574</u>
Less accumulated depreciation and amortization				
Leasehold improvements	\$ 5,738	\$ 894	\$	\$ 6,632
Building	-	12,410	-	12,410
Office equipment	31,922	1,849	-	33,771
Office furniture	19,269	264	-	19,533
Signs	3,504	1,616	-	5,120
Leased assets	-	1,490	-	1,490
Total accumulated depreciation and amortization	<u>60,433</u>	<u>18,523</u>	<u>-</u>	<u>78,956</u>
Capital assets, net	<u>\$ 526,659</u>	<u>\$ 498,353</u>	<u>\$ 496,395</u>	<u>\$ 528,618</u>

Depreciation expense for the year ended September 30, 2022 was \$17,032, and amortization expense for leased assets was \$1,490.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

5. Payables

The payables of \$25,055 at September 30, 2022, are as follows:

Accounts	\$	22,814
Payroll liabilities		2,241
Total	\$	25,055

6. Leases

On July 25, 2022, the CRNHA entered into a lease agreement with Walker Automotive to finance a new 2022 GMC Terrain. Due to the implementation of GASB Statement No. 87 during this audit period, this lease met the criteria of a lease, requiring it to be recorded. This asset will be amortized over the useful life. The following is a summary of the long-term obligation transactions for the year ended September 30, 2022:

Long-term obligation	Balance, October 01, 2021	Additions	Deletions	Balance, September 30, 2022
2022 GMC Terrain	-	17,885	1,490	\$ 16,395
Total	\$ -	\$ 17,885	\$ 1,490	\$ 16,395

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of September 30, 2022:

Long-term obligation	Current portion	Long-term portion	Total
2022 GMC Terrain	5,962	10,433	16,395
Total	\$ 5,962	\$ 10,433	\$ 16,395

The following is a summary of the present value of the net minimum lease payments:

Year ending September 30:	Principal
2022	1,490
2023	5,962
2024	5,962
2025	4,471
Total minimum lease payments	\$ 17,885

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

7. Short-Term Obligation

The Cane River National Heritage Area, Inc. had short-term debt activity for the year ended September 30, 2022. Notes payable represent financing obtained from BOM Bank for the purchase of a new building for the CRNHA headquarters. The note is covered by a pledged certificate of deposit at BOM Bank. The certificate of deposit renews annually and is considered restricted cash.

Short-term obligation	Balance, October 01, 2021	Additions	Deletions	Balance, September 30, 2022
Building, University Avenue	240,000	-	19,437	\$ 220,563
Total	\$ 240,000	\$ -	\$ 19,437	\$ 220,563

8. Related Party Transactions

The Cane River National Heritage Area, Inc. had no identified related party transactions for the year ended September 30, 2022.

9. Grants

During the year ended September 30, 2022, the Cane River National Heritage Area, Inc. received grant income from the Department of the Interior, National Park Services of \$591,000. This grant is to be used to further the purpose of the Cane River National Heritage Area, Inc.. The Cane River National Heritage Area, Inc. received additional federal and local grants from the CARI-Teacher Institute Grant (\$18,000); the Los Adeas Grant (\$39,000); the Natchitoches Historic District Development Commission (\$39,000); and other small contributions (\$8,031). Total federal grant income was \$648,000 and total non-federal grant income was \$47,031.

10. Compensation Paid to Board Members

The members of the Board of Directors receive no compensation for their service.

11. Litigation and Claims

At September 30, 2022, the Cane River National Heritage Area, Inc. was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

12. Operating Lease

The Cane River National Heritage Area, Inc. entered into a three-year operating lease with Wells Fargo Bank on March 6, 2019, for a 2019 GMC Terrain. Monthly payments under this lease are \$477 per month. For the year ended September 30, 2022, the lease payments totaled \$4,349. The CRNHA paid \$475 at the lease signing. This lease closed in the audit period.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Notes to the Financial Statements
As of and for the year ended September 30, 2022

13. Income Taxes

The Cane River National Heritage Area, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Cane River National Heritage Area, Inc.'s Form 990, Return of Organization Exempt from Income Tax, for the years ending September 30, 2022, 2021, and 2020, are subject to examination by the IRS, generally for three years after being filed.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Budgetary Comparison Schedule - Governmental Funds
For the Year Ended September 30, 2022

	Budget - Original	Actual	Variance Favorable (Unfavorable)
Revenues			
Federal appropriation	\$ 591,000	\$ 648,000	\$ 57,000
Non-federal appropriation	-	47,031	47,031
Miscellaneous	-	2,464	2,464
Total revenues	<u>591,000</u>	<u>697,495</u>	<u>106,495</u>
Expenditures			
Administrative and Operations	400,307	386,951	13,356
Marketing and Visitor Services	201,786	78,809	122,977
Signage	108,101	18,286	89,815
Travel and Training	19,341	8,631	10,710
Planning	116,826	57,200	59,626
Resource, Inventory, Development, and Interpretation	120,811	18,148	102,663
Grants and Projects	362,500	91,037	271,463
Capital Outlay	8,000	20,481	(12,481)
Total expenditures	<u>1,337,672</u>	<u>679,543</u>	<u>658,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(746,672)</u>	<u>17,952</u>	<u>764,624</u>
Other financing sources (uses)			
Interest earnings	-	-	-
Lease proceeds	-	17,885	17,885
Lease expenditures	-	(7,452)	(7,452)
Interest expense	-	(10,525)	(10,525)
Total other financing sources (uses)	<u>-</u>	<u>(92)</u>	<u>(92)</u>
Net changes in fund balances	<u>(746,672)</u>	<u>17,860</u>	<u>764,532</u>
Fund balances - September 30, 2021	<u>1,206,541</u>	<u>1,206,541</u>	<u>-</u>
Fund balances - September 30, 2022	<u>\$ 459,869</u>	<u>\$ 1,224,401</u>	<u>\$ 764,532</u>

The accompanying notes are an integral part of these financial statements.



KENNETH D. FOLDEN & CO.

Certified Public Accountants, LLC

Kenneth D. Folden, CPA
kfolden@foldencpa.com

302 Eighth Street, Jonesboro, LA 71251
Phone: (318) 259-7316 • Fax: (318) 259-7315

Alayna C. Huckaby, CPA
ahuckaby@foldencpa.com

**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**

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Cane River National Heritage Area, Inc., as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Cane River National Heritage Area, Inc.'s basic financial statements and have issued our report thereon dated March 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cane River National Heritage Area, Inc.'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 Cane River National Heritage Area, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Cane River National Heritage Area, Inc.'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
March 31, 2023

SUPPLEMENTAL INFORMATION

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Schedule of Findings and Questioned Costs
For the year ended September 30, 2022

We have audited the basic financial statements of the Cane River National Heritage Area, Inc. as of and for the year ended September 30, 2022 and have issued our report thereon dated March 31, 2023. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 2022 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.

Cane River National Heritage Area, Inc.
Natchitoches, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended September 30, 2022

Rebecca Blackenbaker President	
Salary	\$ 73,349
Benefits - Retirement	21,488
Benefits - Payroll taxes	940
Benefits - Insurance	19,279
Reimbursements	<u>1,088</u>
	<u>\$ 116,144</u>



KENNETH D. FOLDEN & CO.

Certified Public Accountants, LLC

Kenneth D. Folden, CPA
kfolden@foldencpa.com

302 Eighth Street, Jonesboro, LA 71251
Phone: (318) 259-7316 • Fax: (318) 259-7315

Alayna C. Huckaby, CPA
ahuckaby@foldencpa.com

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners of Cane River National Heritage Area, Inc.
Natchitoches, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 01, 2021 through September 30, 2022. Cane River National Heritage Area, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Cane River National Heritage Area, Inc. 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 LLA's SAUPs for the fiscal period October 01, 2021 through September 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. 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, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 whether 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.
 - 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.
 - c. Disbursements, including processing, reviewing, and approving,
 - 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).

- 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.
- f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process,
- g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k. 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.
- l. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The CRNHA provided us with a list of policies for the above functions except Disaster Recovery/Business Continuity. However, the CRNHA follows the policies and procedures set up by the National Park Service as required by the grant for the federal funds received.

Management's Response: Management will develop written procedures for Disaster Recovery/Business Continuity.

Board

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:

- 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.

Response: The Board of Trustees met four times during the fiscal year. The by-laws of the CRNHA require meetings quarterly.

- b. For those entities reporting on the governmental accounting model, observe whether 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. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Response: The Board approves purchases and disbursements at each meeting and reviews 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.

Response: The unrestricted fund balance for the prior year was positive.

Exception: None.

Management's Response: None.

Bank Reconciliations

3. Obtain a listing of entity 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 each selected account, and observe that:

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

Response: Bank reconciliations were prepared monthly for two out of three demand deposit accounts.

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

Response: The bank reconciliations reviewed do not include evidence they have been reviewed a member of management or a board member.

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.

Response: Out of the two reconciliations reviewed there were no reconciling items outstanding for more than 12 months.

Exception: See above responses.

Management's Response: Bank reconciliations will be reviewed monthly by the Director.

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 5 deposit sites (or all deposit sites if less than 5).

Response: Collection location is the Cane River National Heritage Area, Inc. office.

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

Response: The receptionist collects any cash that is received; however, cash collections are minimal and are usually donation or interest checks.

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.

Response: The receptionist collects cash and makes deposits; however, the Director reviews the collection documentation and deposit slips.

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.

Response: Contract accountant records all transactions in the general ledger.

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/official verifies the reconciliation.

Response: Contract accountant completes the reconciliation.

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

Response: All employees that have access to cash are covered under the insurance policy.

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:

a. Observe that receipts are sequentially pre-numbered.

Response: None of the six receipts reviewed had sequentially pre-numbered receipts. Four of the six receipts reviewed were ACH deposits.

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

Response: Four of the six receipts reviewed were not traced from collection documentation to the deposit slip. The four not traced from collection documentation to a deposit slip were ACH deposits.

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

Response: Four of the six receipts reviewed were not traced from the deposit slip to the actual deposit. The four not traced from the deposit slip to the bank statement were ACH deposits.

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 and the cash is stored securely in a locked safe or drawer).

Response: Four of the six deposits reviewed included evidence they were made within one business day.

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

Response: All of the six receipts reviewed were traced from the actual deposit per the bank statement to the general ledger.

Exception: See above responses.

Management's Response: Management will include evidence of when the receipt was received.

Disbursements - General

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).

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.

Response: Employees make a request for purchases, and the Director approves all requests. Requests are sent to contract accountant for checks to be written. The checks are sent back to the CRNHA office to be signed by the Director and Board Member and mailed by the Receptionist.

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

Response: See above response to 9a.

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.

Response: Adding or modifying vendors is completed by the contract accountant as directed by the Director.

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.

Response: See above response to 9a.

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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Response: Of 49 disbursements reviewed, all disbursements matched the related original invoice or billing statement.

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

Response: Of 49 disbursements reviewed, 46 disbursements documented evidence of segregation of duties as tested under #9.

Exception: See above responses.

Management's Response: None.

Credit 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.

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. 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.

Response: After reviewing one monthly statement from the only credit card, there was no evidence that it was reviewed by a member of management other than the cardholder.

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

Response: After reviewing one monthly statement from the only credit card, there were no finance charges or late fees assessed.

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).

a. For each transaction, observe that it is supported by:

i. An original itemized receipt that identifies precisely what was purchased,

Response: After reviewing one monthly statement from the only credit card, there was an original itemized receipt for each purchase.

ii. Written documentation of the business/public purpose, and

Response: After reviewing one monthly statement from the only credit card, there was written documentation of the business/public purpose for each purchase.

iii. Documentation of the individuals participating in meals (for meal charges only).

Response: After reviewing one monthly statement from the only credit card, there was no documentation of the individuals participating in meals.

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.

Exception: See above responses.

Management's Response: Management will ensure that a member of management who is not the cardholder will review the monthly statements and that there will be documentation of individuals participating in meals.

Travel and Expense Reimbursement

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. If reimbursed using a per diem, observe 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).

Response: Three of six reimbursements were for per diem, and the rates were in agreement with the US GSA.

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

Response: Three of six reimbursements were for actual costs, and all were supported by an original itemized receipt.

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).

Response: All reimbursements reviewed is supported by documentation of the business/public purpose.

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

Response: Five of six reimbursements were approved in writing by someone other than the person receiving the reimbursement.

Exception: See above responses.

Management's Response: A board member will approve reimbursements paid to the Director.

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

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).

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

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 the invoice and related payment agreed to the terms and conditions of the contract.

Exception: No new contracts were initiated during the fiscal period.

Management's Response: None.

Payroll and Personnel

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.

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 all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Response: All four employees reviewed documented their daily attendance and leave.

b. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

Response: Supervisors approved the attendance and leave of the selected employees.

c. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Response: Leave accrued or taken during the pay period was reflected in the entity's cumulative leave records.

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 and the entity's policy on termination payments. Agree the hours to the employee or official's authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Response: No employees were terminated during the fiscal period.

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.

Response: The CRNHA contracts with the City of Natchitoches to perform payroll. All payroll, payroll taxes, and retirement contributions are paid with the City of Natchitoches.

Exception: See above responses.

Management's Response: None.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Response: All four employees reviewed had completed one hour of ethics training during the fiscal period.

b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Response: There were no changes to the ethics policy.

Exception: See above responses.

Management's Response: None.

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 State Bond Commission approval was obtained for each debt instrument issued.

Response: CRNHA is a non-profit and is does not have to obtain approval from the State Bond Commission to obtain debt.

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).

Exception: See above responses.

Management's Response: None.

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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Response: Per discussion with management, there were no misappropriations of public funds or assets.

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.

Response: We observed the notice posted at the CRNHA office and on the CRNHA website.

Exception: See above responses.

Management's Response: None.

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."

Response: We performed the procedure and discussed the results with management.

a. 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.

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.

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.

Management's Response: None.

Sexual Harassment

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.

Response: All of the four employees reviewed had documentation of completed sexual harassment training.

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).

Response: There was no posting of the sexual harassment policy.

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:

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

- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Response: There was no completed annual report by February 1st.

Management's Response: Management will ensure that the annual sexual harassment report is completed by February 1st. Management will post their sexual harassment policy.

We were engaged by Cane River National Heritage Area, Inc. 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 Standards. We were not engaged to and did not conduct an examination or review engagement, 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.

This report is intended 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.

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
March 31, 2023