

**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, 2020  
with Supplemental Information Schedules

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**Independent Auditor's Report**

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

**Report on the Financial Statements**

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, 2020, 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.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Cane River National Heritage Area, Inc., as of September 30, 2020, 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.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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.

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.

### *Other 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 is 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 relate 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.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2021 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. Felden & Co., CPAs*

Jonesboro, Louisiana  
June 18, 2021

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

Statement of Net Position  
As of September 30, 2020

		Governmental Activities
<b>Assets</b>		
Cash and equivalents	\$	850,712
Accounts receivable		882,000
Capital assets (net of accumulated depreciation)		34,908
<b>Total Assets</b>		1,767,620
<b>Liabilities</b>		
Accounts payable		42,946
Compensated absences		12,111
<b>Total Liabilities</b>		55,057
<b>Net Position</b>		
Net investment in capital assets		34,908
Restricted		1,202,481
Unrestricted		475,173
<b>Total Net Position</b>	\$	1,712,562

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, 2020

	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	\$ 739,186	\$ -	\$ 654,261	\$ -	\$(84,925)
Total governmental activities	<u>\$ 739,186</u>	<u>\$ -</u>	<u>\$ 654,261</u>	<u>\$ -</u>	<u>\$(84,925)</u>
Change in net position					(84,925)
Net position - September 30, 2019					<u>1,797,488</u>
Net position - September 30, 2020					<u>\$ 1,712,563</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, 2020

		Governmental Funds
<b>Assets</b>		
Cash and equivalents	\$	850,712
Accounts receivable		882,000
<b>Total Assets</b>	<b>\$</b>	<b><u>1,732,712</u></b>
<b>Liabilities &amp; Fund Balances</b>		
Liabilities:		
Accounts payable	\$	42,946
<b>Total Liabilities</b>		<b><u>42,946</u></b>
Fund balances:		
Restricted, reported in:		
Federal appropriation		1,201,444
Assigned, reported in:		
Non-federal community fund		5,234
Unassigned, reported in:		
Non-federal community fund		483,088
<b>Total Fund Balances</b>		<b><u>1,689,766</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b><u>1,732,712</u></b>

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, 2020

Total Fund Balances at September 30, 2020 - Governmental Funds (Statement C)	\$	1,689,766
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.		34,908
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences		(12,111)
Net Position at September 30, 2020	\$	1,712,563

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, 2020

		Governmental Funds
<b>Revenues</b>		
Federal appropriation	\$	569,400
Non-federal appropriation		84,861
Miscellaneous		-
<b>Total revenues</b>		654,261
<b>Expenditures</b>		
Administrative and Operations		433,401
Marketing and Visitor Services		45,084
Signage		105,650
Travel and Training		12,601
Planning		16,145
Grants and Projects		121,717
Capital Outlay		3,196
<b>Total expenditures</b>		737,794
<b>Excess (deficiency) of revenues over (under) expenditures</b>		(83,533)
<b>Other financing sources (uses)</b>		
Interest earnings		-
<b>Net changes in fund balances</b>		(83,533)
<b>Fund balances - September 30, 2019</b>		1,773,299
<b>Fund balances - September 30, 2020</b>	\$	1,689,766

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, 2020

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	(83,533)
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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		(5,625)
Capital outlay		3,196
Decrease (increase) in compensated absences		<u>1,037</u>
Change in net position of governmental activities (Statement B)	\$	<u><u>(84,925)</u></u>

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

**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, 2020

## **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, 2020

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, 2020

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, 2020

**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, 2020.

**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 \$1,201,444 restricted for federal appropriation for the year ended September 30, 2020.

**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, 2020.

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the year ended September 30, 2020

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, 2020.

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 \$483,088 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 19, 2019. There were no amendments to the budget; however, the Board of Directors adjusted line items throughout the year.

#### **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, 2020

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, 2020, 2019, and 2018, the recorded amount for compensated absences is \$12,111, \$13,148, and \$11,769.

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the year ended September 30, 2020

**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, 2020, the Cane River National Heritage Area, Inc. had cash and cash equivalents (book balances) totaling \$850,712, 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, 2020, the Cane River National Heritage Area, Inc. had \$871,542 in deposits (collected bank balances). These deposits are secured from risk by \$510,227 of federal deposit insurance, and \$583,953 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, 2020. 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 \$510,227 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, 2020, 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, 2020

**3. Receivables**

The receivables of \$882,000 at September 30, 2020, are as follows:

Accounts Receivable-Other Grants	\$	50,000
Revenue Receivable-NPS '18 Appropriation		832,000
Total	\$	<u>882,000</u>

**4. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2020, is as follows:

	Balance, October 01, 2019	Additions	Deletions	Balance, September 30, 2020
Capital assets being depreciated				
Leasehold improvements	\$ 17,884	\$ -	\$ -	\$ 17,884
Office equipment	34,192	3,196	-	37,388
Office furniture	19,269	-	-	19,269
Signs	16,157	-	-	16,157
Total capital assets being depreciated	<u>\$ 87,501</u>	<u>\$ 3,196</u>	<u>\$ -</u>	<u>\$ 90,698</u>
Less accumulated depreciation				
Leasehold improvements	\$ 3,949	\$ 894	\$ -	\$ 4,844
Office equipment	27,677	2,111	-	29,788
Office furniture	18,264	1,004	-	19,269
Signs	273	1,616	-	1,889
Total accumulated depreciation	<u>50,164</u>	<u>5,625</u>	<u>-</u>	<u>55,790</u>
Capital assets, net	<u>\$ 37,337</u>	<u>\$ (2,429)</u>	<u>\$ -</u>	<u>\$ 34,908</u>

Depreciation expense for the year ended September 30, 2020 was \$5,625.

**5. Payables**

The payables of \$42,946 at September 30, 2020, are as follows:

Accounts	\$	42,946
Total	\$	<u>42,946</u>

**6. Related Party Transactions**

The Cane River National Heritage Area, Inc. had no identified related party transactions for the year ended September 30, 2020.

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the year ended September 30, 2020

**7. Grants**

During the year ended September 30, 2020, 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 local grants from the Natchitoches Historic District Development Commission (\$40,725); Union Pacific Foundation (\$25,000); Allen Parish Tourist Commission (\$17,000); and other small contributions (\$2,136). Total non-federal grant income was \$84,861. The Cane River National Heritage Area, Inc. did not complete Phase 2 of the CARI Underground Railroad project. The U.S. Treasury rescinded the funds for Phase 2 of the project. This resulted in a \$21,600 adjustment to the grant revenues for the year.

**8. Compensation Paid to Board Members**

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

**9. Litigation and Claims**

At September 30, 2020, 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.

**10. 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, 2020, the lease payments totaled \$2,864. The CRNHA paid \$475 at the lease signing.

**11. 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, 2020, 2019, and 2018, are subject to examination by the IRS, generally for three years after being filed.

**12. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 18, 2021, 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, 2020

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Federal appropriation	\$ 591,000	\$ 591,000	\$ 569,400	\$ 21,600
Non-federal appropriation	-	-	84,861	84,861
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>591,000</u>	<u>591,000</u>	<u>654,261</u>	<u>106,461</u>
<b>Expenditures</b>				
Administrative and Operations	378,000	378,000	433,401	(55,401)
Marketing and Visitor Services	52,800	51,800	45,084	6,716
Signage	43,000	43,000	105,650	(62,650)
Travel and Training	12,000	12,000	12,601	(601)
Planning	17,000	17,000	16,145	855
Grants and Projects	78,200	79,200	121,717	(42,517)
Capital Outlay	10,000	10,000	3,196	6,804
<b>Total expenditures</b>	<u>591,000</u>	<u>591,000</u>	<u>737,794</u>	<u>(146,794)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(83,533)</u>	<u>(40,333)</u>
<b>Other financing sources (uses)</b>				
Interest earnings	-	-	-	-
<b>Net changes in fund balances</b>	-	-	(83,533)	(40,333)
<b>Fund balances - September 30, 2019</b>	<u>1,773,299</u>	<u>1,773,299</u>	<u>1,773,299</u>	<u>-</u>
<b>Fund balances - September 30, 2020</b>	<u>\$ 1,773,299</u>	<u>\$ 1,773,299</u>	<u>\$ 1,689,766</u>	<u>\$ (40,333)</u>

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



**KENNETH D. FOLDEN & CO.**

**Certified Public Accountants**

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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**

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

We have audited 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, 2020, 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 June 18, 2021. 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.

**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) 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 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.

## **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 are required to be reported under Government Auditing Standards.

## **Purpose of this Report**

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

*Kenneth D. Falden & Co., CPAs*

Jonesboro, Louisiana  
June 18, 2021

# **SUPPLEMENTAL INFORMATION**

Cane River National Heritage Area, Inc.  
Natchitoches, Louisiana

Schedule of Findings and Questioned Costs  
For the year ended September 30, 2020

We have audited the basic financial statements of the Cane River National Heritage Area, Inc. as of and for the year ended September 30, 2020 and have issued our report thereon dated June 18, 2021. 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, 2020 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, 2020

Rebecca Blackenbaker President		
Salary	\$	71,919
Benefits - Retirement		20,153
Benefits - Payroll taxes		1,113
Benefits - Insurance		19,054
Reimbursements		<u>2,390</u>
	\$	<u>114,629</u>