

**DESOTO PARISH
TOURIST BUREAU**
Mansfield, Louisiana

FINANCIAL REPORT
December 31, 2018

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
FINANCIAL REPORT
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Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

Maura Dees Gardner, CPA, CFE

Phone No. 318-872-3007

122 Jefferson Street

Mansfield, Louisiana

Fax No. 318-872-1357

Independent Accountant's Review Report

To the Board of Commissioners of the
DeSoto Parish Tourist Bureau
Mansfield, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Tourist Bureau, a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the DeSoto Parish Tourist Bureau. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The Bureau's management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the DeSoto Parish Tourist Bureau in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required and Other Supplemental Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and related note on page 16 through page 17 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 30, 2019, on the results of our agreed-upon procedures on pages 21 through 24. Also presented as required is the Louisiana Attestation Questionnaire.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
June 30, 2019

BASIC FINANCIAL STATEMENTS

**DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana**

GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION

December 31, 2018

	Governmental Funds Financial Statements Balance Sheet		Government-wide Statements Statement of Net Position
	General Fund	Adjustments	
ASSETS			
Cash and cash equivalents	\$ 441,809	\$ -	\$ 441,809
Accounts receivable	10,116	-	10,116
TOTAL ASSETS	\$ 451,925	-	451,925
LIABILITIES			
Current Liabilities:			
Payroll liabilities	\$ 547	-	547
Total current liabilities	547	-	547
TOTAL LIABILITIES	547	-	547
FUND BALANCE / NET POSITION			
Fund Balances:			
Unassigned	451,378	(451,378)	-
TOTAL FUND BALANCES	451,378	(451,378)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 451,925	451,378	-
Net Position:			
Unrestricted		451,378	451,378
TOTAL NET POSITION		\$ -	\$ 451,378

See accompanying notes and independent accountant's review report.

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana

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

For the Year Ended December 31, 2018

	Governmental Funds Financial Statements		Government-wide Statements
	Statement of Revenues Expenditures, and Changes in Fund Balance	Adjustments	
	General Fund		Statement of Activities
EXPENDITURES/EXPENSES			
Tourism	\$ 186,757	\$ -	\$ 186,757
TOTAL EXPENDITURES/EXPENSES	186,757	-	186,757
GENERAL REVENUES			
Occupancy taxes	281,687	-	281,687
Interest earnings	452	-	452
TOTAL GENERAL REVENUES	282,139	-	282,139
NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION	95,382	-	95,382
FUND BALANCE / NET POSITION			
Beginning of the year	355,996		355,996
End of the year	\$ 451,378		\$ 451,378

See accompanying notes and independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS

DESOTO PARISH TOURIST BUREAU

Mansfield, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2018

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION

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

Government-Wide Financial Statements

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

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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

Fund Financial Statements

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

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

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

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, transfers of assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

Measurement Focus

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

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

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING (continued)

Basis of Accounting

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

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

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

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

D. ASSETS, LIABILITIES AND EQUITY

Cash and interest-bearing deposits

Cash includes amounts in demand accounts, interest-bearing demand deposits, and certificates of deposits with a 90-day or less maturity term at time of purchase. Under state law, the Tourist Bureau 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 Tourist Bureau may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Accounts Receivable

Major receivables for the governmental activities include ad valorem taxes. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The Bureau's assets are currently limited to furniture and fixtures with useful lives of 5-7 years.

Equity Classifications

Net Position

The Tourist Bureau classifies net position in the government-wide financial statements, as follows:

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

Fund Balances

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

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

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

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

The General Fund, the Tourist Bureau's only governmental fund, has an unassigned fund balance of \$451,378.

E. USE OF ESTIMATES

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

2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2018, the Tourist Bureau had cash and cash equivalents totaling \$441,809 (book balance).

The cash of the DeSoto Parish Tourist Bureau is subject to the following risks:

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

Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Tourist Bureau's name.

At December 31, 2018, the Tourist Bureau had \$432,844 in deposits (collected bank balances). These deposits were secured from risk by \$500,000 of federal deposit insurance.

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

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

3. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivables at December 31, 2018:

Occupancy taxes	\$ 10,116
	\$ 10,116

4. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2018 are as follows:

<u>Governmental Activities</u>	Balance December 31, 2017	Additions	Deletions / Reclassifications	Balance December 31, 2018
Furniture & fixtures	7,571	-	-	7,571
Total	7,571	-	-	7,571
Less accumulated depreciation				
Furniture & fixtures	7,571	-	-	7,571
Total	7,571	-	-	7,571
Capital assets, net	\$ -	\$ -	\$ -	\$ -

5. LEVIED TAXES

Pursuant to RS 33:4574(B) the Tourist Bureau is authorized to levy and collect a three percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the boundaries of the Tourist Bureau. Collections are made through the DeSoto Parish Sales tax commission and remitted to the Tourist Bureau monthly through the DeSoto Parish Police Jury. The Tourist Bureau recognizes occupancy tax revenues when collected. Total of occupancy tax revenues recognized in 2018 by the Tourist Bureau was \$281,687.

6. RISK MANAGEMENT

The Tourist Bureau is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets and errors and omissions. To reduce these risks, the Tourist Bureau purchases commercial insurance. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2018.

7. LITIGATION

There is no litigation pending against the Tourist Bureau, at December 31, 2018, nor is it aware of any unasserted claims.

8. RELATED PARTY TRANSACTIONS

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

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

10. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Tourist Bureau receive no compensation for their services.

11. RETIREMENT COMMITMENTS

The Tourist Bureau has two employees who are members of the Federal Social Security System. The Tourist Bureau and its employees contribute a percentage of the employees' salary to the System. The Tourist Bureau's contribution was \$993 for the year ended December 31, 2018.

12. SUBSEQUENT EVENTS

Management has performed an evaluation of the Tourist Bureau's activities through June 30, 2019, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

DESOTO PARISH TOURIST BUREAU
 Mansfield, Louisiana
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Occupancy taxes	\$ 196,000	\$ 205,000	\$ 281,687	\$ 76,687
Interest income	400	400	452	52
Total Revenues	<u>196,400</u>	<u>205,400</u>	<u>282,139</u>	<u>76,739</u>
Expenditures				
Current:				
Tourism	<u>196,400</u>	<u>205,400</u>	<u>186,757</u>	<u>18,643</u>
Total Expenditures	<u>196,400</u>	<u>205,400</u>	<u>186,757</u>	<u>18,643</u>
 Net Change in Fund Balance	 -	 -	 95,382	 58,096
 Fund balances, beginning of year	 <u>355,996</u>	 <u>355,996</u>	 <u>355,996</u>	 <u>-</u>
Fund balances, end of year	<u>\$ 355,996</u>	<u>\$ 355,996</u>	<u>\$ 451,378</u>	<u>\$ 58,096</u>

See independent accountant's review report and note to the budgetary comparison schedule.

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana
NOTE TO BUDGETARY COMPARISON SCHEDULE
December 31, 2018

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The budget is adopted annually on the modified accrual basis of accounting. The budget comparison schedule presents the original adopted budget and the final amended budget.

The Tourist Bureau is required by state law to adopt an annual budget. A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Tourist Bureau. The budget was approved November 7, 2017.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended for the year ending December 31, 2018 but not until January 8, 2019. For the year ended December 31, 2018, actual revenues were more than budgeted amounts. Actual expenditures were less than appropriations.

Due to the lateness of amending the budget, the Tourist Bureau is not in compliance with the Local Government Budget Act R.S. 39:1301-1316 and the budget requirements of R.S. 39-1331-1342.

OTHER SUPPLEMENTAL INFORMATION

DESOTO PARISH TOURIST BUREAU
Mansfield, Louisiana

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

For the Year Ended December 31, 2018

Edna Thornton

Purpose	Amount
Salary	\$ 9,000
Benefits-insurance (medicare taxes)	139
Benefits- retirement (Social Security taxes)	585
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	19
Travel	367
Registration fees	-
Conference travel	-
Training	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 10,110</u>

See independent accountant's review report.

OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL
AUDIT GUIDE



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, Louisiana

Phone No. 318-872-3007

Fax No. 318-872-1357

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners DeSoto Parish
Tourist Bureau
Mansfield, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the DeSoto Parish Tourist Bureau and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about DeSoto Parish Tourist Bureau's compliance with certain laws and regulations during the year ended December 31, 2018, included in the accompanying *Louisiana Attestation Questionnaire*. Management of DeSoto Parish Tourist Bureau is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable, and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$154,450.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained Procedures 2 and 3.

None of the employees included on the list of employees provided by management (agreed-upon procedure No. 3) appeared on the list provided by management in agreed-upon procedure No. 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

A list of disbursements was obtained. None of the business interests were also found as a vendor.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The Board adopted the original budget on November 7, 2017. The budget was amended January 8, 2019 after the end of the fiscal year end.

Management Response: Management will become familiarized with the Local Government Budget Act R.S. 39:1301-1315 to prevent any further violations.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more

We compared the revenues and expenditures of the final budget to actual revenue and expenditures. Budgeted revenues for the year did exceed actual amounts. Total actual expenditures did not exceed budgeted amounts.

Accounting and Reporting

9. Obtain the list of disbursement made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for five of the six selected disbursements and found that those payments were for the proper amount and made to the correct payee. One invoice did not have supporting documentation.

- (b) Report whether the six disbursement are coded to the correct fund and general ledger account

The payments with documentation to examine were properly coded to the correct general ledger account.

- (c) Report whether the six disbursements were approved in accordance with policies and procedures

Inspection of the documentation supporting the selected disbursements indicated proper approvals on the five invoice available.

Management Response: Management will be more diligent in ensuring all invoices paid have supporting documentation and proper approval.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meeting law) and report whether there are any exceptions.

The DeSoto Parish Tourist Bureau is only required to post a notice of each meeting and the accompanying agenda on the door of the Tourist Bureau's office building. Management notes during the Board meeting when the agendas are posted and by whom. There is then a vote to accept the agenda as posted at the beginning of each meeting.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2018.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The report was filed timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management did not enter into any contracts that utilized state funds.

Other Matters, Concerns, Suggestions, Recommendations, and/ or Comments

15. Discuss any other matters, concerns, suggestions, recommendations and/ or comments determined during the performance of attestation procedures.

The use of public funds and public property is controlled by the limits set forth in Art. VII, Section of 14 of the Constitution which generally prohibits political subdivisions from donating public funds. The provision states that except as otherwise provided by the constitution, the funds, credit, property, or things of value of any political subdivision shall not be loaned, pledged, or

donated to or for any person, association, or corporation, public or private. Cooperative endeavor agreements establish there is a reciprocal obligation between the parties to ensure that there is not a gratuitous donation of public funds. The Tourist Bureau provided funds to various non-profit and civic organizations without cooperative endeavor agreements. At the time this report was issued 14 organizations the Tourist Bureau gave money to had not reported to the Louisiana Legislative Auditor.

Two sponsorships, which provided an invoice from the organizations, had checks written to individuals. It could not be determined that these checks were deposited into the organizations' accounts.

Management Response: Management will be more cognizant of the importance of cooperative endeavor agreements to ensure the Tourist Bureau is spending funds in accordance with governing statutes. Management will ensure that the spending of funds is for public purpose that does not appear gratuitous, and that management has a demonstrable, objective and reasonable expectation of receiving at least equivalent value in exchange for the expenditure or transfer of public funds.

Prior-Year Comments and Recommendations

16. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved.

The prior year's compiled financial statements had three findings from a previous accountant.

- 1) The Tourist Bureau had inadequate segregation of duties to provide effective internal control. Management does believe that the cost of correcting the condition outweighs the benefit. The issue continues to be unresolved.
- 2) The Tourist Bureau did not file its financial statements with the Louisiana Legislative Auditor six months after their year end as required by State Audit Laws. The issue has been resolved.
- 3) The Tourist Bureau's prior year actual revenues failed to meet budgeted amounts by 5%, and the Bureau was in violation of the Local Government Budget Act. This issue is partially resolved. See Attestation Procedure number 7.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. 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 for the use of management of the DeSoto Parish Tourist Bureau and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
June 30, 2019

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

5/14/19 (Date Transmitted)

Dees Gardner, CPAs, LLC

122 Jefferson Street

Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2108 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

<u>Charlotte Miller</u>	Secretary	<u>5-14-19</u>	Date
<u>Pamela Rodgers</u>	Treasurer	<u>5-14-19</u>	Date
<u>Margaret Dickerson</u>	President	<u>5-14-19</u>	Date