

Jefferson Davis Parish
Tourist Commission
Jennings, Louisiana

FINANCIAL REPORT

Year Ended June 30, 2019

Jefferson Davis Parish Tourist Commission
June 30, 2019

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Recipient of Advanced Single Audit Certificate*

INDEPENDENT AUDITOR'S REPORT

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

Report on the Financial Statement

I have audited the accompanying financial statements of the governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission (the Commission), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jefferson Davis Parish Tourist Commission as of June 30, 2019, and the respective changes in financial position 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 and employer's share of net pension liability and employer contributions on pages 32 through 35 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to the agency head or chief executive officer is the responsibility of management and was 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 my opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer are 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*, I have also issued a report dated December 31, 2019, on my consideration of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "J. Aaron Coogan, CPA, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountant

Jennings, Louisiana
December 31, 2019

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

STATEMENT A**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana****Statement of Net Position
June 30, 2019**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 299,947
Receivables	15,702
Prepaid expenses	6,860
Total current assets	<u>322,509</u>
Noncurrent assets:	
Capital assets, net of depreciation	756,330
Total noncurrent assets	<u>756,330</u>
Total assets	<u>1,078,839</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	<u>92,829</u>
LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	19,003
Current portion of net pension liability	9,211
Accrued compensated absences	4,080
Total current liabilities	<u>32,294</u>
Non-current liabilities:	
Net pension liability	104,584
Total non-current liabilities	<u>104,584</u>
Total liabilities	<u>136,878</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	<u>7,047</u>
NET POSITION	
Net investment in capital assets	756,330
Unrestricted net position	271,413
Total net position	<u><u>\$ 1,027,743</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT B

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

Statement of Activities
For the Year Ended June 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
GOVERNMENTAL ACTIVITIES			
Promotion of tourism	\$ 519,454	\$ -	\$ (519,454)
Total governmental activities	\$ 519,454	\$ -	(519,454)
GENERAL REVENUES			
Sales taxes:			
Local collections			204,943
State appropriations			155,131
Miscellaneous			54,137
Intergovernmental			205,245
Interest			5,926
Total general revenues			625,382
CHANGE IN NET POSITION			105,928
NET POSITION, BEGINNING			921,815
NET POSITION, ENDING			\$ 1,027,743

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS (FFS)

STATEMENT C**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana****Balance Sheet - Governmental Fund
June 30, 2019**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 299,947
Receivables	<u>15,702</u>
TOTAL ASSETS	<u><u>\$ 315,649</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts, salaries, and other payables	<u>\$ 19,003</u>
 Fund balance:	
Unassigned	<u>296,646</u>
Total fund balance	<u><u>296,646</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 315,649</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT D

**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2019**

Total fund balance for governmental fund (Statement C)	\$ 296,646
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other assets used in governmental activities that are not financial resources, and therefore, are not reported in the governmental funds.	
Prepaid expenses	6,860
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets	785,299
Less: accumulated depreciation	(28,969)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the funds.	
Compensated absences payable	(4,080)
Net pension liability	(113,795)
Pension related deferrals	
Outflows	92,829
Inflows	(7,047)
Total net position of governmental activities (Statement A)	<u><u>\$ 1,027,743</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT E

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

Statement of Revenue, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2019

	General Fund
REVENUES	
Sales taxes:	
Local collections	\$ 204,943
State appropriation	155,131
Miscellaneous	54,137
Intergovernmental	205,245
Interest	5,926
Total revenues	<u>625,382</u>
EXPENDITURES	
Personnel:	
Salaries - director	62,150
Salaries - other	143,603
Payroll taxes	6,767
Retirement	18,422
Employee health insurance	44,560
Advertising	26,041
Promotional	30,184
Operational:	
Tour	14,908
Merchandise	25,355
Dues and subscriptions	14,153
Insurance	8,760
Travel	11,128
Other operating expenses:	
Accounting services	7,800
Legal and professional	21,691
Equipment rentals	212
Expense reimbursement	15,063
Repairs and maintenance	7,603
Telephone	643
Utilities and internet	19,603
Office	11,050
Postage	45
Capital outlay	403,885
Total expenditures	<u>893,626</u>
Excess (deficiency) of revenues over (under) expenditures	(268,244)
Fund Balance - beginning	<u>564,890</u>
Fund Balance - ending	<u>\$ 296,646</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT F

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Fiscal Year Ended June 30, 2019**

Net change in fund balance, total governmental funds (Statement E) \$ (268,244)

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

Other assets used in governmental activities that are not financial resources
and, therefore, are not reported in the governmental funds.

Change in prepaid expenses 5,173

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in the governmental funds.

Capital outlays	\$ 396,642	
Increase in accumulated depreciation	<u>(6,192)</u>	390,450

General long-term debt of governmental activities are not payable from
current resources and, therefore not reported in the governmental funds.

Change in compensated absences payable 1,407

In the Statement of Activities, certain operating expenses are measured by the
amounts incurred during the year. In the governmental funds, however,
expenditures for these items are measured by the amount of financial resources
used (essentially, the amounts actually paid). This is the amount by which the
amounts incurred exceeds the amount actually paid:

Pension expense (22,858)

Change in net position of government activities (Statement B)	<u><u>\$ 105,928</u></u>
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The accompanying notes are an integral part of this financial statement.

Notes to Financial Statements

Notes to Financial Statements

1. Organization and Significant Accounting Policies

The mission of the Jefferson Davis Parish Tourist Commission (the Commission) is to promote and encourage recreational activities, the acquisition, preservation, and development of historic and recreational sites, recreational facilities, and tourist attractions. It operates a tourist information center within the Parish and employs an executive director and three full-time and one part-time employees, all who coordinate advertisements and promotion of tourism for the Parish. The more significant of the Commission's accounting policies are described below.

A. Reporting Entity

The Commission was created by the Jefferson Davis Parish Police Jury pursuant to (LSA-RS 33:4574) through the passage of Parish Ordinance 579 on May 9, 1973. The District purposes shall be the promotion and encouragement of recreational activities, the acquisition, preservation, and development of historic and recreational sites, recreational facilities, and tourist attractions, and to engage in activities which would promote such development. The Commission has authority, within its boundaries, to exercise all powers necessary or convenient for the carrying out of such purposes.

Under the provision of Parish Ordinance 579, the District shall be governed and controlled by a board of commissioners composed of five members. These commissioners, appointed by the Jefferson Davis Parish Police Jury, assume their duties for an unstated term and shall serve without compensation.

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 61, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading. Therefore, an organization is considered to be a component unit of the police jury if one of the following criteria is met:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

Reporting Entity (continued)

- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The police jury appoints a voting majority of the board and has the ability to impose its will on the organization; therefore the Commission was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Joint Venture

The Jefferson Davis Parish Tourist Commission entered into a joint venture with the City of Jennings and the Town of Welsh to create the Jefferson Davis Parish Economic Development Commission, which was formed to enhance the economic development of Jefferson Davis Parish. This joint venture has not been included in the reporting entity. Financial Statements for this joint venture can be obtained from the Jefferson Davis Parish Economic Development Commission.

C. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. 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 requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activities of the entity and for each function of the entity's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of 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.

Notes to Financial Statements

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts 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.

The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of a governmental entity are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expense of that individual governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are a least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the *Commission* are described below:

Governmental Funds:

General Fund – The General Fund is the general accounting fund of the Jefferson Davis Parish Tourist Commission. It accounts for all financial resources of the Commission.

D. 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” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

Notes to Financial Statements

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type 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. Revenues, expense, 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*.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported when due. The proprietary fund utilizes 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.

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed.

Revenues –Sales tax revenues are collected by the Jefferson Davis Parish School Board and are remitted to the Commission monthly. Taxes are remitted in the month following collection and are considered measurable at the month of collection. Accordingly, sales taxes collected in June 2019 and remitted in July 2019 have been reported as a receivable.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

Each fiscal year, the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to tourist and convention commissions throughout the state to be used for tourism development, including support for historic preservation and arts and humanities. The amount appropriated by the state is limited to state sales taxes on hotels and motels within Jefferson Davis Parish. The amounts appropriated by the state have been recorded in these financial statements. Payments are remitted quarterly.

E. Budgetary Practices

The Commission has adopted a budget for its general fund. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Commission. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted amounts, which are not expended or obligated through contracts, lapse at year end. The Commission's budget is materially consistent with accounting principles generally accepted in the United States of America.

F. 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 Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Capital Assets

In the fund financial statements (FFS), fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements (GWFS), fixed assets are accounted for as capital assets. The Jefferson Davis Parish Tourist Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets, which include building, improvements, furniture and fixtures, and other assets, are to be reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

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 estimated useful life by type of assets is as follows:

Vehicles	5 years
Buildings	30 years
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

H. Compensated Absences

Employees accrue earned vacation on a monthly basis according to years of service. Employees are permitted to carry forward a maximum of one-third (1/3) of their annual earned vacation with a maximum of 20 days. Employees accrue sick leave at the rate of twelve days per year. Sick leave is cumulative up to a maximum of 130 days. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At June 30, 2019, the Commission had accrued vacation leave of \$4,080

I. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's pension plan and additions to / deductions from the plan's fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Equity Classifications

Government-Wide Statements – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consist of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. Restricted net position – consists of net resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets, net of related debt”.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Commission applies restricted resources first, unless a determination is made to use unrestricted resources.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

Governmental Fund Statements – Equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed fund balance – amounts that can be used for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making authority for the Jefferson Davis Parish Tourist Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission's policy, only board members may assign amounts for specific purposes.

Unassigned fund balance – all other spendable amounts.

As of June 30, 2019, the General Fund has an unassigned fund balance of \$296,646. The Commission would typically use restricted fund balances first, followed by committed resources and 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.

K. Advertising

Advertising costs are recorded as an expenditure when they are paid.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Jefferson Davis Parish Tourist Commission, which are either unusual in nature or infrequent in occurrence. During the year ended June 30, 2019, the Commission had no extraordinary or special items.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

N. Date of Management's Review

Subsequent events were evaluated through December 31, 2019, which is the date the financial statements were available to be issued.

2. Deposits and Investments

A. Deposits

As of June 30, 2019, the Commission has cash and interest-bearing deposits (book balances) as follows:

<u>Deposit Type</u>	<u>Governmental Activities</u>
Cash on hand	\$ 50
Interest-bearing deposits	299,897
Total	<u>\$ 299,947</u>

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be recovered. Under state law, the Commission's deposits (or resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair 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 Commission or the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the Commission has \$317,201 in deposits (collected bank balances) in local financial institutions. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$67,201 of pledged securities held by the custodial bank in the name of the Commission. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

3. Receivables

The following is a summary of receivables at year end:

Local sources:	
Taxes:	
Sales and use	\$ 15,702
Total	<u>\$ 15,702</u>

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

4. Capital Assets:

Capital assets activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Construction in progress	<u>\$ 328,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (328,744)</u>	<u>\$ -</u>
Capital assets being depreciated:					
Improvements	\$ 51,806	\$ -	\$ -	\$ -	\$ 51,806
Buildings	8,107	364,739	-	328,744	701,590
Furniture and fixtures	-	31,903	-	-	31,903
Total capital assets being depreciated	<u>59,913</u>	<u>396,642</u>	<u>-</u>	<u>328,744</u>	<u>785,299</u>
Less: Accumulated Depreciation	<u>22,777</u>	<u>6,192</u>	<u>-</u>	<u>-</u>	<u>28,969</u>
Total capital assets being depreciated, net	<u>\$ 29,029</u>	<u>\$ 25,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 756,330</u>

Depreciation expense of \$6,192 was charged to governmental activities: Promotion of Tourism

5. Risk Management

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Commission has elected to continue coverage through the Commission commercial insurance policy. The Commission is insured up to policy limits for each of the above risks. There were no significant changes in the coverages, retentions, or limits during the year ended June 30, 2019. There were no settled claims exceeding the commercial coverages in any previous three fiscal years.

6. Litigation and Claims

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as defendant.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

7. Economic Development Commission Joint Venture

The Jefferson Davis Parish Tourist Commission in conjunction with the City of Jennings and the Town of Welsh has entered into an agreement to create the Jefferson Davis Parish Economic Development Commission (EDC). The EDC was chartered on January 30, 2007. The purpose is to act as an agency to enhance economic development and sustainable growth in Jefferson Davis Parish. According to the charter, each member is responsible for contributing an amount equal to the percentage of participation that the member holds in the commission. The annual proportion of participation shall be as follows:

<u>Member</u>	<u>Percentage</u>	<u>Not to Exceed</u>
City of Jennings	39.50%	\$ 75,000
Jefferson Davis Parish Tourist Commission	39.50%	75,000
Town of Welsh	21.00%	40,000

The EDC consists of seven commissioners as follows: three residents of the City of Jennings, three representatives appointed by the Jefferson Davis Parish Tourist Commission, and one resident of the Town of Welsh.

The EDC members are to be appointed by the governing body of their place of residence. The EDC has the power and authority to employ a director to oversee and manage the operation of the commission office, hire other staff as needed, adopt its own budget, and enter into contracts for professional services necessary for the operations of the EDC.

The EDC is a Governmental Fund and the Jefferson Davis Parish Tourist Commission has not included its 39.5% share of net position in these financial statements.

Condensed financial information for the Jefferson Davis Economic Development Commission as of December 31, 2018 (the latest available audited financial statements) is as follows:

	<u>Total</u>	<u>Commission</u>
Total assets	\$ 172,657	\$ 68,200
Total liabilities	(6,579)	(2,599)
Net Position	<u>\$ 166,078</u>	<u>\$ 65,601</u>
Total program revenues	\$ 175,000	\$ 69,125
General revenues	17,227	6,805
Total expenses	\$ 181,076	\$ 71,525
Change in net position	11,151	4,405

As of December 31, 2018, the EDC had no long-term debt outstanding.

Notes to Financial Statements

8. Related Party Transactions

Pursuant to the \$75,000 contribution agreement between the Jefferson Davis Parish Economic Development Commission and the Jefferson Davis Parish Tourist Commission, the Board of Directors established a Cooperative Endeavor Agreement. It was agreed the Jefferson Davis Parish Tourist Commission would provide, in lieu of their annual \$75,000 contribution, all management and jointly provide equipment and services to the Jefferson Davis Economic Development Commission. In turn, the Jefferson Davis Parish Economic Commission would pay the Jefferson Davis Tourist Commission a management fee. For the year ended June 30, 2019, the Commission has received \$84,600.

9. Board of Directors Compensation

The Board of Directors is a voluntary board; therefore no compensation has been paid to any member.

10. Pension Plan

Employees of the Commission are provided retirement through the Parochial Employees' Retirement System. All employees are members of Plan A.

A. Parochial Employees' Retirement System (PERS)

Plan Description

Parochial Employees' Retirement System of Louisiana (PERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System. PERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Commission are members of Plan A.

Notes to Financial Statements

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty or more years of creditable service.
2. Age 55 with twenty-five years of creditable service.
3. Age 60 with a minimum of ten years of creditable service.
4. Age 65 with a minimum of seven years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Deferred Retirement Option Plan (DROP) Benefits

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

Notes to Financial Statements

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Survivor's Benefits

Upon the death of any member of Plan A with five or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Cost-of-Living Increases

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017, was 12.50% for Plan A. According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The Commission's contractually required contribution rate for the year ended June 30, 2018, was 11.50% of annual payroll from July 1, 2018 to December 31, 2018 and 11.50% from January 1, 2019 to June 30, 2019, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the Commission were \$18,422 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Commission reported an liability of \$113,795 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the Commission's proportion was .025639%, which was an increase of .000729 percentage points from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Commission recognized pension expense of \$44,220 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$981.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Business-type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (6,933)
Changes of assumptions	28,453	-
Net difference between projected and actual earnings on pension plan investments	54,474	-
Change in proportion and differences between employer contributions and proportionate share of contributions	691	(114)
Employer contributions subsequent to the measurement date	<u>9,211</u>	<u>-</u>
Total	<u><u>\$ 92,829</u></u>	<u><u>\$ (7,047)</u></u>

Deferred outflows of resources of \$9,211 related to PERS resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2020	\$ 26,337
2021	14,374
2022	11,796
2023	<u>24,064</u>
	<u><u>\$ 76,571</u></u>

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2018 are as follows:

Valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expense, including inflation
Inflation rate	2.4%
Projected salary increases	4.75%
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP 2018 scale for active members Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for annuitants and beneficiaries. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for disabled annuitants
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Jefferson Davis Parish Tourist Commission
June 30, 2019

Notes to Financial Statements

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the PERS net pension liability calculated using the discount rate of 6.50%, as well as what the Commission's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2018:

	One Percentage Point Decrease 5.50%	Current Discout Rate 6.50%	One Percentage Point Increase 7.50%
Net pension liability (asset)	\$ 241,670	\$ 113,795	\$ 6,903

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org or www.la.state.la.us.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$8,410 which is the legally required contributions due at June 30, 2019. This amount is recorded in accrued expenses.

Required Supplemental Information

SCHEDULE 1

**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana**

**Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable /
				(Unfavorable)
REVENUES				
Sales taxes:				
Local collections	\$ 200,000	\$ 200,000	\$ 204,943	\$ 4,943
State appropriation	180,000	180,000	155,131	(24,869)
Miscellaneous revenue	28,000	32,000	54,137	22,137
Intergovernmental revenue	147,600	204,600	205,245	645
Interest income	1,000	5,000	5,926	926
Total revenues	<u>556,600</u>	<u>621,600</u>	<u>625,382</u>	<u>3,782</u>
EXPENDITURES				
Personnel:				
Salaries - director	62,150	62,150	62,150	-
Salaries - other	137,111	137,111	143,603	(6,492)
Payroll taxes	7,970	7,970	6,767	1,203
Retirement expense	23,200	23,200	18,422	4,778
Employee health insurance	40,000	40,000	44,560	(4,560)
Advertising	40,000	40,000	26,041	13,959
Promotional	39,000	44,000	30,184	13,816
Operational:				
Tour expense	10,000	10,000	14,908	(4,908)
Merchandise expense	18,000	24,000	25,355	(1,355)
Dues & subscriptions	10,000	10,000	14,153	(4,153)
Insurance	-	10,000	8,760	1,240
Travel expense	16,000	16,000	11,128	4,872
Other operating expenses:				
Accounting	7,800	7,800	7,800	-
Legal & professional	10,000	21,000	21,691	(691)
Equipment rentals	500	500	212	288
Expense reimbursement	10,000	14,000	15,063	(1,063)
Miscellaneous	200	200	-	200
Repairs and maintenance	20,000	20,000	7,603	12,397
Telephone	2,000	2,000	643	1,357
Utilities	10,000	20,000	19,603	397
Office expense	12,000	12,000	11,050	950
Postage	750	500	45	455
Capital outlay	400,000	460,000	403,885	56,115
Total expenditures	<u>876,681</u>	<u>982,431</u>	<u>893,626</u>	<u>88,805</u>
Excess (deficiency) of revenues over (under) expenditures	(320,081)	(360,831)	(268,244)	92,587
Fund balance - beginning	<u>564,890</u>	<u>564,890</u>	<u>564,890</u>	<u>-</u>
Fund balance - ending	<u>\$ 244,809</u>	<u>\$ 204,059</u>	<u>\$ 296,646</u>	<u>\$ 92,587</u>

See accompanying notes to Required Supplementary Information.

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

Schedule of Employer's Share of Net Pension Liability
Parochial Employees' Retirement System
For the Year Ended June 30, 2019*

<u>Year ended June 30, *</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	0.025639%	\$ 18,126	\$ 157,616	11.5%	88.9%
2018	0.024910%	\$ (18,489)	\$ 153,326	(12.1%)	102.0%
2017	0.025295%	\$ 52,095	\$ 150,018	34.7%	94.1%
2016	0.019095%	\$ 50,264	\$ 144,753	34.7%	92.2%
2015	0.024667%	\$ 6,744	\$ 139,586	4.8%	99.2%

* The amounts presented were determined as of the measurement date (previous calendar year end).

See accompanying notes to Required Supplementary Information.

SCHEDULE 3

**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana**

**Schedule of Employer Contributions
Parochial Employees' Retirement System
For the Year Ended June 30, 2019***

<u>Year ended June 30, *</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2019	\$ 18,422	\$ 18,422	\$ -	\$ 160,190	11.5%
2018	\$ 18,605	\$ 18,605	\$ -	\$ 155,043	12.0%
2017	\$ 19,330	\$ 19,330	\$ -	\$ 151,610	12.7%
2016	\$ 20,408	\$ 20,408	\$ -	\$ 148,425	13.7%
2015	\$ 21,515	\$ 21,515	\$ -	\$ 141,082	15.2%
2014	\$ 20,351	\$ 20,351	\$ -	\$ 138,090	14.7%

See accompanying notes to Required Supplementary Information.

Notes to Required Supplementary Information

1. Budget

Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission. Legally, the Commission must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Commission to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and /or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Explanation of Significant Difference Between Original and Final Budget

Capital outlay in the original budget for the general fund was significantly lower than the amounts in the final budget. The reason for the difference was the approval by the Commission to increase amount needed for new Gator Chateau.

2. Pensions

Changes of Benefit Terms

PERS - There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions

PERS – For the actuarial valuation for the year ended June 30, 2019, the discount rate was reduced from 6.75% to 6.50%. Projected salary increases were reduced from 5.25% to 4.75%. Inflation rate was reduced from 2.5% to 2.4%.

Other Supplemental Schedules

SCHEDULE 4**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana****Schedule of Compensation, Benefits, and other Payments
to Agency head or Chief Executive Officer
For the Year Ended June 30, 2019**

Agency Head Name: Marion Fox, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 62,150
Benefits-insurance	10,599
Benefits-retirement	6,836
Benefits-dues	-
Mileage	1,731
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	2,465
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 83,781</u>

Other Reports



J. Aaron Cooper, CPA, LLC

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

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 *Governmental Auditing Standards*

Board of Commissioners
Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Tourist Commission (the Commission) basic financial statements and have issued my report thereon dated December 31, 2019.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Jefferson Davis Parish Tourist Commission's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "J. Aaron Cogan, CPA, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountant

Jennings, Louisiana
December 31, 2019

**Jefferson Davis Parish Tourist Commission
Jennings, Louisiana**

**Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2019**

No current year findings.

**Jefferson Davis Parish Tourist Commission
Jennings, Louisiana**

**Schedule of Prior Year Findings
For the Year Ended June 30, 2019**

2018-01 Compliance – Ethics Training

Condition: A review of ethics training certificates revealed that several part time employees did not complete a minimum of one hour of governmental ethics training during the year ended June 30, 2018.

Criteria: State law requires that all public servants take one hour of training on the Code of Governmental Ethics annually.

Cause: Personnel did not complete minimum governmental ethics training as required.

Effect: Personnel did not comply with state law requiring that employees complete a minimum of one hour of governmental ethics training annually.

Recommendation: The Commission should implement policies and procedures to ensure that all employees are informed of ethics code requirements and monitor to ensure compliance.

Corrective action taken: Commission management has implemented procedures as recommended.

2018-02 Compliance – Cash Deposits Under-Secured

Condition: A review of cash deposits revealed that deposits held at one bank was under-secured by \$76,470 as of June 30, 2018.

Criteria: State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

Cause: Cash balances were not properly monitored to ensure that securities pledged were adequate.

Effect: The Commission is not in compliance with state law and is potentially exposed to custodial credit risk in the event of bank failure.

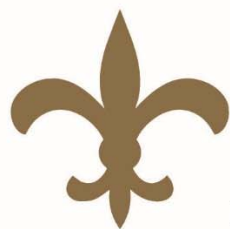
Recommendation: The Commission should implement policies and procedures to monitor bank balances and securities pledged periodically.

Corrective action taken: Commission management has implemented procedures as recommended.

**Jefferson Davis Parish
Tourist Commission
Jennings, Louisiana**

**Statewide Agreed-Upon
Procedures Report**

For the Year Ended June 30, 2019



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

I have performed the procedures enumerated below, which were agreed to by Jefferson Davis Parish Tourist Commission (the Commission), a component unit of the Jefferson Davis Parish Police Jury, and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Jefferson Davis Parish Tourist Commission maintains written policies for travel and expense reimbursements. The Commission's written policies and procedures do not address any of the other areas above.

Management is aware of the exceptions and will consider implementing additional policies.

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The Commission meets every other month. No meetings without a quorum were noted. The minutes of the meetings did not mention monthly budget-to-actual reports; however, it was noted that budget-to-actual comparisons are given to commissioners with their monthly packets. The Commission did not have any negative fund balances in the prior audit.

Management is aware of the exceptions and will consider implementing additional procedures.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Bank reconciliations for all 3 accounts were tested. The reconciliations were all prepared within 2 months of the related statement closing date. Accounts tested did not contain evidence that management or commissioners separate from involvement of transactions reviewed the bank reconciliations. There were no reconciling items that were outstanding for more than 12 months from the statement closing date. It was noted that the Commission does report outstanding checks to state unclaimed property once the holding period has been met.

Management is aware of the exceptions and will consider implementing additional procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Deposit sites and cash collection locations were obtained from management. The location selected for collection testing was the Gator Chateau. The persons collecting cash sometimes share the same drawer with another employee. Each employee responsible for collecting cash is not responsible for preparing bank deposits unless another employee reconciles collection documentation to the deposit. Employees responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official reconciles the ledger postings to each other and to the deposit. The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash without another employee verifying the reconciliation. All employees who are involved in cash collection are bonded or covered by an insurance policy for theft. Receipts are not always provided and are not sequentially pre-numbered. However, collection documentation can be traced to deposit slips and bank statement. Collection documentation was obtained indicating that deposits were made within one day of collection. All collections were completely supported by documentation. Actual deposits agree to general ledger.

Management is aware of the exceptions and will consider implementing additional procedures.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Only the tourist center process payments. Some written policies and procedures exist and employees are knowledgeable of their assigned duties. At least two employees were found to be involved in initiating a purchase request, approving a purchase, and making the purchase. Also, two employees were found to be involved in processing and approving payments to vendors. The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system. Signatories do not mail the checks and do not give the signed checks to an employee to mail who is not responsible for processing payments. The selected disbursements matched the original invoice. The disbursement documentation included evidence of segregation of duties.

Management is aware of the exceptions and will consider implementing additional procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note:

Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

<i>Observation: This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.</i>
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Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

<i>Observation: This procedure was performed in last fiscal year with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.</i>
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Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

<i>Observation: This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.</i>

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two

employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

<i>Observation: This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.</i>
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Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

<i>I randomly selected five employees and obtained the certificates documenting the ethics training for those employees without exception.</i>
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Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

<i>Observation: This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.</i>
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Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

<i>Observation: This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.</i>
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I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

J. Aaron Cogan, CPA, LLC

December 31, 2019