

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

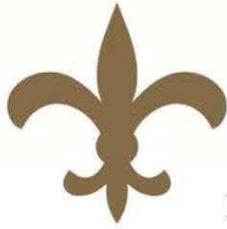
FINANCIAL REPORT

Year Ended June 30, 2017

Jefferson Davis Parish Tourist Commission  
June 30, 2017

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# 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*

## 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, 2017, 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, 2017, 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 February 28, 2018, on my consideration of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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 style.

Certified Public Accountant

Jennings, Louisiana  
February 28, 2018

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

## STATEMENT A

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

**Statement of Net Position**  
**June 30, 2017**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 547,770
Investments - certificates of deposit	187,451
Receivables	29,760
Prepaid expenses	2,054
Total current assets	<u>767,035</u>
Noncurrent assets:	
Capital assets, net of depreciation	<u>52,597</u>
Total noncurrent assets	<u>52,597</u>
Total assets	<u>819,632</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related deferrals	<u>60,637</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts, salaries, and other payables	15,472
Current portion of net pension liability	9,476
Accrued compensated absences	5,597
Total current liabilities	<u>30,545</u>
Non-current liabilities:	
Net pension liability	<u>42,619</u>
Total non-current liabilities	<u>42,619</u>
Total liabilities	<u>73,164</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related deferrals	<u>12,059</u>
<b>NET POSITION</b>	
Net investment in capital assets	52,597
Unrestricted net position	742,449
Total net position	<u>\$ 795,046</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, 2017**

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>			
Promotion of tourism	\$ 440,652	\$ -	\$ (440,652)
Total governmental activities	\$ 440,652	\$ -	\$ (440,652)
<b>GENERAL REVENUES</b>			
Sales taxes:			
Local collections			200,519
State appropriations			143,226
Miscellaneous			32,098
Intergovernmental			133,550
Nonemployer contributions			1,869
Interest			3,232
Total general revenues			514,494
<b>CHANGE IN NET POSITION</b>			73,842
<b>NET POSITION, BEGINNING</b>			721,204
<b>NET POSITION, ENDING</b>			\$ 795,046

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, 2017

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 547,770
Investments - certificates of deposit	187,451
Receivables	<u>29,760</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 764,981</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts, salaries, and other payables	<u>\$ 15,472</u>
Fund balance:	
Unassigned	<u>749,509</u>
Total fund balance	<u><u>749,509</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 764,981</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, 2017**

Total fund balance for governmental fund (Statement C)	\$	749,509
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		2,054
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets		71,380
Less: accumulated depreciation		(18,783)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the funds.		
Compensated absences payable		(5,597)
Net pension liability		(52,095)
Pension related deferrals		
Outflows		60,637
Inflows		(12,059)
Total net position of governmental activities (Statement A)	\$	<u><u>795,046</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, 2017**

	General Fund
<b>REVENUES</b>	
Sales taxes:	
Local collections	\$ 200,519
State appropriation	143,226
Miscellaneous	32,099
Intergovernmental	133,550
Interest	3,232
Total revenues	512,626
<b>EXPENDITURES</b>	
Personnel:	
Salaries - director	59,160
Salaries - other	131,441
Payroll taxes	6,323
Retirement	19,330
Employee health insurance	32,003
Advertising	28,153
Promotional	47,888
Operational:	
Tour	11,950
Merchandise	19,601
Dues and subscriptions	7,520
Insurance	5,616
Travel	18,604
Other operating expenses:	
Accounting services	7,800
Legal and professional	8,400
Expense reimbursement	22,504
Miscellaneous	320
Repairs and maintenance	9,637
Telephone	586
Utilities and internet	0
Office	10,256
Postage	268
Total expenditures	447,360
Excess (deficiency) of revenues over (under) expenditures	65,266
Fund Balance - beginning	684,243
Fund Balance - ending	\$ 749,509

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

**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, 2017**

Net change in fund balance, total governmental funds (Statement E)	\$	65,266
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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		222
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Capital assets used in governmental activities are not financial resources  
and therefore are not reported as assets in the governmental funds.

Capital outlays	\$ 19,574	
Increase in accumulated depreciation	<u>(3,454)</u>	16,120

Some income in the Statement of Activities do not provide for current  
resources and, therefore, are not reported as revenue in governmental funds.

Nonemployer contributions to pension funds		1,869
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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		951
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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		(10,586)
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Change in net position of government activities (Statement B)	\$	<u>73,842</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.

## 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 Economic Development Commission is a joint venture with the City of Jennings and the Town of Welsh, 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.

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

## Notes to Financial Statements

### *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 2017 and remitted in July 2017 have been reported as a receivable.

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

**Notes to Financial Statements**

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.

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
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

## Notes to Financial Statements

### 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, 2017, the Commission had accrued vacation leave of \$5,597

### 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.

*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

### Notes to Financial Statements

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, 2017, the General Fund has an unassigned fund balance of \$749,510. 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, 2017, the Commission had no extraordinary or special items.

#### N. Date of Management's Review

Subsequent events were evaluated through February 28, 2018, which is the date the financial statements were available to be issued.

Jefferson Davis Parish Tourist Commission  
June 30, 2017

**Notes to Financial Statements**

**2. Deposits and Investments**

A. Deposits

As of June 30, 2017, the Commission has cash and interest-bearing deposits (book balances) as follows:

Deposit Type	Governmental Activities
Cash on hand	\$ 50
Interest-bearing deposits	<u>547,720</u>
Total	<u><u>\$ 547,770</u></u>

Additionally, the Commission has certificates of deposit totaling \$187,451 on deposit in local banks which are presented as investments in the financial statements.

*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, 2017, the Commission has \$749,467 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$499,467 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.

B. Investments

At June 30, 2017, the Commission had the following investments and maturities:

Investment Type	% of Portfolio	Fair Value	Investments Maturities (in Years)	
			Less than 1	1-5
Certificates of deposit- (maturities exceeding 90 days)	100%	\$ 187,451	\$ 187,451	\$ -

Jefferson Davis Parish Tourist Commission  
June 30, 2017

**Notes to Financial Statements**

*Credit Risk* – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission does not have a written investment policy, but does adhere to state laws regarding allowable investments. The certificates of deposit are not rated.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As discussed previously, certificates of deposit are considered fully collateralized under the provisions of GASB Statement 3. Accordingly, the Commission had no custodial credit risk related to its investments of June 30, 2017.

*Concentration of Credit Risk* – The Commission places no limit on the amount it may invest in any one issuer. All investments are invested in Certificates of Deposit with First Guaranty Bank.

**3. Receivables**

The following is a summary of receivables at year end:

Local sources:		
Taxes:		
Sales and use	\$	17,900
Other revenues		106
State sources:		
State appropriations		11,754
Total	<u>\$</u>	<u>29,760</u>

**4. Capital Assets:**

Capital assets activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Improvements	\$ 51,806	\$ 19,574	\$ -	\$ 71,380
Less: Accumulated Depreciation	15,329	3,454	-	18,783
Total capital assets being depreciated, net	<u>\$ 36,477</u>	<u>\$ 16,120</u>	<u>\$ -</u>	<u>\$ 52,597</u>

Depreciation expense of \$3,454 was charged to governmental activities: Promotion of Tourism

**Notes to Financial Statements**

**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, 2017. 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.

**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.

Jefferson Davis Parish Tourist Commission  
June 30, 2017

**Notes to Financial Statements**

Condensed financial information for the Jefferson Davis Economic Development Commission as of December 31, 2016 (the latest available audited financial statements) is as follows:

	Total	Commission
Total assets	\$ 165,081	\$ 65,207
Total liabilities	(6,107)	(2,412)
Net Position	\$ 158,974	\$ 62,795
Total program revenues	\$ 175,000	\$ 69,125
General revenues	26,028	10,281
Total expenses	\$ 175,521	\$ 69,331
Change in net position	25,507	10,075

As of December 31, 2016, the EDC had no long-term debt outstanding.

**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, 2017, 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.

## **Notes to Financial Statements**

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.

### ***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

### **Notes to Financial Statements**

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.

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.

## Notes to Financial Statements

### *Contributions*

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016, was 13.00% for Plan A. According to state statute, the System also receives ¼ 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, 2017, was 13.00% of annual payroll from July 1, 2016 to December 31, 2016 and 12.50% from January 1, 2017 to June 30, 2017, 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 \$19,330 for the year ended June 30, 2017.

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

At June 30, 2017, the Commission reported a liability of \$52,095 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016, 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, 2016, the Commission's proportion was .025295%, which was an increase of .006200 percentage points from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Commission recognized pension expense of \$30,944 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$1,028.

Jefferson Davis Parish Tourist Commission  
June 30, 2017

**Notes to Financial Statements**

At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (9,116)
Changes of assumptions	9,891	-
Net difference between projected and actual earnings on pension plan investments	40,428	-
Change in proportion and differences between employer contributions and proportionate share of contributions	842	(2,943)
Employer contributions subsequent to the measurement date	9,476	-
Total	\$ 60,637	\$ (12,059)

Deferred outflows of resources of \$9,476 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

Year Ended June 30	
2018	\$ 14,281
2019	15,202
2020	10,711
2021	(1,092)
	\$ 39,102

**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, 2016 are as follows:

Valuation date	December 31, 2016
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense
Inflation rate	2.5%
Projected salary increases	5.25% (2.75% merit and 2.50% Inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table for active members RP-2000 Healthy Annuitant Sex Distinct Table for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Tables 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 7.00% 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 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.

**Notes to Financial Statements**

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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 7.66% for the year ended December 31, 2016.

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, 2016, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
	100%	5.66%
		2.00%
		7.66%

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, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

***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 7.00%, as well as what the Commission's proportionate share

Jefferson Davis Parish Tourist Commission  
June 30, 2017

**Notes to Financial Statements**

of the net pension liability 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, 2016:

	One Percentage Point Decrease 6.00%	Current Discout Rate 7.00%	One Percentage Point Increase 8.00%
Net Pension Liability	\$ 155,838	\$ 52,095	\$ (35,622)

***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](http://www.persla.org) or [www.la.state.la.us](http://www.la.state.la.us).

***Payables to the Pension Plan***

These financial statements include a payable to the pension plan of \$8,339 which is the legally required contributions due at June 30, 2017. This amount is recorded in accrued expenses.

**11. Excess of Expenditures Over Appropriations**

The general fund had actual expenditures over budgeted appropriations for the year ended June 30, 2017, as follows:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	\$ 439,545	\$ 439,545	\$ 447,359	\$ 7,814

## **Required Supplemental Information**

JEFFERSON DAVIS PARISH TOURIST COMMISSION  
Jennings, Louisiana

Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	Budgetary Basis	Final Budget Favorable / (Unfavorable)
<b>REVENUES</b>				
Sales taxes:				
Local collections	\$ 160,000	\$ 160,000	\$ 200,519	\$ 40,519
State appropriation	130,000	130,000	143,226	13,226
Miscellaneous revenue	26,000	26,000	32,099	6,099
Intergovernmental revenue	122,600	122,600	133,550	10,950
Interest income	1,000	1,000	3,232	2,232
Total revenues	<u>439,600</u>	<u>439,600</u>	<u>512,626</u>	<u>73,026</u>
<b>EXPENDITURES</b>				
Personnel:				
Salaries - director	59,160	59,160	59,160	-
Salaries - other	129,780	129,780	131,441	(1,661)
Payroll taxes	17,005	17,005	6,323	10,682
Retirement expense	22,500	22,500	19,330	3,170
Advertising	40,000	40,000	28,153	11,847
Promotional	27,000	27,000	47,888	(20,888)
Operational:				
Tour expense	10,000	10,000	11,950	(1,950)
Merchandise expense	16,000	16,000	19,601	(3,601)
Dues & subscriptions	10,000	10,000	7,520	2,480
Insurance	31,100	31,100	37,619	(6,519)
Travel expense	17,000	17,000	18,604	(1,604)
Other operating expenses:				
Accounting	7,800	7,800	7,800	-
Legal & professional	8,000	8,000	8,400	(400)
Equipment rentals	500	500	-	500
Expense reimbursement	10,000	10,000	22,504	(12,504)
Miscellaneous	200	200	320	(120)
Repairs and maintenance	14,750	14,750	9,637	5,113
Telephone	2,000	2,000	586	1,414
Utilities	4,000	4,000	-	4,000
Office expense	12,000	12,000	10,256	1,744
Postage	750	750	268	482
Total expenditures	<u>439,545</u>	<u>439,545</u>	<u>447,360</u>	<u>(7,815)</u>
Excess (deficiency) of revenues over (under) expenditures	55	55	65,266	65,211
Fund balance - beginning	<u>684,243</u>	<u>684,243</u>	<u>684,243</u>	<u>-</u>
Fund balance - ending	<u>\$ 684,298</u>	<u>\$ 684,298</u>	<u>\$ 749,509</u>	<u>\$ 65,211</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, 2017\***

<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>
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, 2017\*

Year ended June 30, *	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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%

\*Amounts presented were determined as of the end of the fiscal year.

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**

There were no significant differences between the original and final budget.

**2. Pensions**

Changes of Benefit Terms

PERS - There were no changes of benefit terms for the year ended June 30, 2017.

Changes of Assumptions

PERS – There were no changes of assumptions for the year ended June 30, 2017.

## **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, 2017**

Agency Head Name: Marion Fox, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 59,160
Benefits-insurance	7,980
Benefits-retirement	7,691
Benefits-dues	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	1,997
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 76,828

## **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*

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, 2017, 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 February 28, 2018.

## **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 instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying corrective action plan for current year findings as item 2017-01.

### **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 Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountant

Jennings, Louisiana  
February 28, 2018

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

**Corrective Action Plan for Current Year Findings  
For the Year Ended June 30, 2017**

<u>Ref No</u> <u>Compliance</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of</u> <u>Contact Person(s)</u>	<u>Anticipated</u> <u>Completion Date</u>
2017-01	The audit for June 30, 2017 was not completed within six months of year-end as required by state law. The audit could not be completed on time because of extra procedures required by the new state agreed-upon procedures.	Management will ensure that information required to perform the new state agreed upon procedures are provided timely and the audit will be completed in time next year.	Marion Fox	Immediately

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

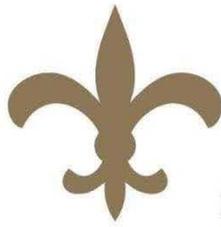
**Management's Summary Schedule of Prior Findings  
For the Year Ended June 30, 2017**

<u>Ref No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>
2016-01	2016	Louisiana R. S. 39:1311 requires that budgets be amended when actual revenues are failing to meet budgeted revenues by 5% or more, and/or actual expenditures are exceeding budgeted expenditures by 5% or more. The Commission did not amend its budget in compliance with state law.	Yes

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

**Statewide Agreed-Upon  
Procedures Report**

**For the Year Ended June 30, 2017**



# J. Aaron Cooper , CPA, LLC

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P.O. Box 918 • 510 North Cutting Avenue • 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, 2016 through June 30, 2017. 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***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - 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*, including receiving, recording, and preparing deposits
- 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, and (5) monitoring card usage.
- 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. Note: Ethics requirements are not applicable to nonprofits.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*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.*

***Board (or Finance Committee, if applicable)***

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*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 meeting packets. There were numerous references to non-budgetary financial information in the minutes during the year.*

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
- a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Bank reconciliations for all accounts were tested. The reconciliations were all prepared. Accounts tested did not contain evidence that management or commissioners separate from involvement of transactions reviewed the bank reconciliations. There were instances of stale-dated checks on two of the bank reconciliations; however, there was no documentation reflecting that those items were being investigated.*

### ***Collections***

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

**For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

*Cash collection locations were obtained from management. The locations selected for collection were the tourist center and the gator house. None of the employees who are involved in cash collection are bonded. At various times, the same person collecting cash may also be responsible for depositing cash in the bank. Also, the same person recording the deposit is also responsible for reconciling bank statements. The persons collecting cash sometimes share the same drawer with another employee. The Commission does not have a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections in the cash collection locations selected. Collection*

*documentation was obtained indicating that all but two deposits were made within one day of collection. The other two deposits were made within two days of collection. All collections were completely supported by documentation. There is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.*

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and

consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*A listing of disbursements was obtained from the executive assistant and 25 items were randomly selected for testing (excluding credit card transactions). Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized. Management feels that a formal PO system is not cost beneficial. The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system. One of the persons with signature authority or who make final authorization for disbursements does have responsibility for initiating or recording purchases. Check stock is kept offsite with access restricted to a person that does not have signature authority. One signature stamp is maintained by someone other than the signer, but is only used as necessary with the knowledge and consent of the signer. Also, the signatories do not maintain the signed checks until mailed.*

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.  
  
Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
  - a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, 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) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
  - a) For each transaction, report whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased)
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*I obtained a listing of all credit cards. Only two credit cards exist and both were selected for testing. For each card, I determined the month with the largest activity and performed the foregoing tests without exception. However, improvements can be made for documentation of public purpose.*

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*I used the general ledger to sort and filter all payments to employees for travel reimbursements. I selected three employees with the largest travel reimbursements. The largest reimbursement for each employee was selected for testing. One person was paid for mileage at an incorrect rate due to the reimbursable rate not being updated at the beginning of the year. For one of the reimbursements, management ensures that documentation exists, however, the documentation could not be found at the time of the procedures.*

## ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*I downloaded the check register and filtered the data creating a listing of the vendors with disbursement amounts and compared to client's list of contract vendors. From that list, the two contractors were found for the year and were selected. No exceptions were noted during testing. It was noted that one of the contracts did not require board approval.*

### ***Payroll and Personnel***

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether 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.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the

two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*I randomly selected 5 employees for testing compensation paid. No exceptions were noted. For testing of leave documentation, I selected the payroll period ending 10/31/2016 for testing using 4 randomly selected employees which account for 1/3 of the Commission's employees. No exceptions were noted. No employees received severance pay during the year. Finally, using the general ledger and reports I identified payments made during the year for retirement and payroll taxes and identified the related pay date. All payments were made timely.*

#### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*I used the previous sample of five employees selected from procedure No. 22 and obtained the certificates documenting the ethics training for those employees. The two part time employees selected did not have an ethics certificate. According to management, no ethics violations were reported during the year.*

#### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*No bonds were issued during the year. No outstanding debt was noted.*

### ***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*Management is not aware of any misappropriation of public funds or assets. Notice of the hotline information is posted on the employee bulletin board.*

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 Cozzie, CPA, LLC*

February 28, 2018