

Financial Report

Lafourche Parish Tourist Commission

Raceland, Louisiana

December 31, 2019



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of Lafourche Parish Tourist Commission, State of Louisiana (the "Commission"), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Commission'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 Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of Lafourche Parish Tourist Commission as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund 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 Management's Discussion and Analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our 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 on page 32 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 Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounts and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2020 on our consideration of Lafourche 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 our 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 Commission's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 17, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Tourist Commission

December 31, 2019

Management's Discussion and Analysis of the Lafourche Parish Tourist Commission's (the "Commission") financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended December 31, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2019 by \$2,453,323 (net position), which represents a 0.54% increase from last fiscal year.

The Commission's revenue increased \$85,775 (or 10.08%) primarily due to more hotel/motel taxes received from the parish.

The Commission's expenses increased \$217,856 (or 30.86%) primarily due to an increase in other services and charges.

The Commission did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission:

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements (Continued)

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Commission's assets, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The Statement of Activities presents information showing how the Commission's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Commission is culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The only fund of the Commission is a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains an individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 10 - 14 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. As of December 31, 2019, assets exceeded liabilities by \$2,453,323. A large portion of the Commission's net position (44.34%) reflects its net investment in capital assets (e.g., construction in progress, buildings and land improvements; office furniture, fixtures and equipment, and intangible assets). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		<u>Dollar</u>
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current and other assets	\$1,409,173	\$1,356,958	\$ 52,215
Capital assets	1,087,840	1,108,604	(20,764)
Total assets	<u>2,497,013</u>	<u>2,465,562</u>	<u>31,451</u>
Current and other liabilities	41,032	23,610	17,422
Long-term liabilities outstanding	2,658	1,752	906
Total liabilities	<u>43,690</u>	<u>25,362</u>	<u>18,328</u>
Net Position:			
Net investment in capital assets	1,087,840	1,108,604	(20,764)
Unrestricted	1,365,483	1,331,596	33,887
Total net position	<u>\$2,453,323</u>	<u>\$2,440,200</u>	<u>\$ 13,123</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the Commission's net position by \$13,123. Key elements of this increase are as follows:

Condensed Statement of Activities

	For the Year Ended		Dollar Change	Total Percent Change
	December 31,			
	2019	2018		
Revenues:				
Taxes - hotel/motel	\$ 898,036	\$ 813,261	\$ 84,775	10.42%
Miscellaneous	38,820	37,820	1,000	2.64%
Total revenues	<u>936,856</u>	<u>851,081</u>	<u>85,775</u>	10.08%
Expenses:				
Economic and development assistance	<u>923,733</u>	<u>705,877</u>	<u>217,856</u>	30.86%
Increase (decrease) in net position	13,123	145,204	(132,081)	-90.96%
Net position, beginning of year	<u>2,440,200</u>	<u>2,294,996</u>	<u>145,204</u>	6.33%
Net position, end of year	<u>\$2,453,323</u>	<u>\$2,440,200</u>	<u>\$ 13,123</u>	0.54%

The net increase in revenue is primarily due to the increase in lodging tax for Lafourche Parish. The net increase in expenses is primarily due increase in other services and charges, personal services, and depreciation.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission's General Fund's ending fund balance is \$1,365,408, which is a increase of \$41,127 in comparison with the prior year. The unassigned fund balance of \$1,365,408 is available for spending at the Commission's discretion.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND (Continued)

General Fund Budgetary Highlights

The budget was amended once during the year ended December 31, 2019. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- To adjust the state hotel/motel tax by increasing \$15,000 for amounts expected from the parish.

Expenditures

- Capital outlay increased by \$12,436 primarily due expected increase in replacement of equipment.

During the year, actual revenues and expenditures were more than budgeted revenues and expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Commission's net investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$1,087,840 (net of accumulated depreciation). This net investment in capital assets includes buildings and land improvements, office furniture, fixtures and equipment and intangible assets (see table on following page).

	<u>2019</u>	<u>2018</u>
Intangible assets	\$ 39,975	\$ 39,975
Buildings and land improvements	1,357,308	1,357,308
Office furniture, fixtures, and and equipment	<u>112,214</u>	<u>98,358</u>
Totals	<u>\$1,509,497</u>	<u>\$1,495,641</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of 2020 Traverse
- Purchase of 2 new AC units for the Commission's building.

Additional information on the Commission's capital assets can be found in the Note 3, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The 2020 budget reflects an increase in local hotel/motel tax revenue while state tax is expected to remain the same as the 2019 amended budget.
- Budgeted expenditures are expected to increase from the 2019 amended budget across the advertising and promotion areas due to an increase in hotel/motel tax revenue.. Payroll and payroll tax expenses reflect increases in annual personnel costs. Employee benefits reflect the cost of health insurance, 457 (b) retirement program for full-time employees and supplemental insurance cost (vision and dental) offered to employees.
- The 2020 budgeted expenditures equal budgeted revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Lafourche Parish Tourist Commission 4484 Highway 1, Raceland, Louisiana 70394.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

Lafourche Parish Tourist Commission

December 31, 2019

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
Assets			
Cash and cash equivalents	\$ 1,330,462	\$ -	\$ 1,330,462
Due from Lafourche Parish School Board	40,563	-	40,563
Taxes receivable	35,415	-	35,415
Prepaid insurance	-	-	-
Prepaid expenses	-	2,733	2,733
Capital assets			
Depreciable, net of accumulated depreciation	-	1,087,840	1,087,840
	<u>\$ 1,406,440</u>	<u>1,090,573</u>	<u>2,497,013</u>
Total assets			
Liabilities			
Accounts payable and accrued expenditures	\$ 41,032	-	41,032
Long-term liabilities:			
Due in more than one year	-	2,658	2,658
	<u>41,032</u>	<u>2,658</u>	<u>43,690</u>
Total liabilities			
Fund Balance/Net Position			
Fund balances:			
Unassigned	1,365,408	(1,365,408)	-
	<u>\$ 1,406,440</u>	<u>(1,365,408)</u>	<u>43,690</u>
Total liabilities and fund balance			
Net position:			
Net investment in capital assets		1,087,840	1,087,840
Unrestricted		1,365,483	1,365,483
		<u>\$ 2,453,323</u>	<u>\$ 2,453,323</u>
Total net position			

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

Fund Balance - Governmental Fund	\$ 1,365,408
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Governmental capital assets	\$ 1,509,497
Less accumulated depreciation	<u>(421,657)</u>
	1,087,840
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Prepaid insurance	2,733
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds	
Compensated absences payable	<u>(2,658)</u>
Net Position of Governmental Activities	<u><u>\$ 2,453,323</u></u>

See notes to financial statements.

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

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

	General Fund	Adjustments (Exhibit D)	Statement of Activities
Revenues			
Taxes - hotel/motel:			
Parish	\$ 548,052	\$ -	\$ 548,052
State	349,984	-	349,984
Miscellaneous:			
Grants	14,722	-	14,722
Interest	20,335	-	20,335
Other	3,763	-	3,763
Total revenues	<u>936,856</u>	<u>-</u>	<u>936,856</u>
Expenditures/Expenses			
Current:			
Economic Development and Assistance:			
Personal services	246,500	906	247,406
Supplies and materials	28,048	-	28,048
Other services and charges	557,466	6,334	563,800
Repairs and maintenance	22,455	-	22,455
Capital outlay	41,260	(41,260)	-
Depreciation	-	62,024	62,024
Total economic development and assistance	<u>895,729</u>	<u>28,004</u>	<u>923,733</u>
Excess of Revenues Over Expenditures	41,127	(41,127)	-
Change in Net Position	-	13,123	13,123
Fund Balance/Net Position			
Beginning of year	<u>1,324,281</u>	<u>1,115,919</u>	<u>2,440,200</u>
End of year	<u>\$ 1,365,408</u>	<u>\$ 1,087,915</u>	<u>\$ 2,453,323</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

Net Change in Fund Balance - Governmental Fund **\$ 41,127**

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

Governmental funds report capital outlay as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 41,260	
Depreciation expense	<u>(62,024)</u>	(20,764)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund

Increase in compensated absences payable	(906)	
Decrease in prepaid insurance	(420)	
Decrease in prepaid expenses	<u>(5,914)</u>	<u>(7,240)</u>

Change in Net Position of Governmental Activities **\$ 13,123**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes - hotel/motel:				
Parish	\$ 480,000	\$ 495,000	\$ 548,052	\$ 53,052
State	349,000	349,000	349,984	984
Miscellaneous:				
Grant	20,000	20,000	14,722	(5,278)
Interest	12,000	12,000	20,335	8,335
Other	-	-	3,763	3,763
Total revenues	<u>861,000</u>	<u>876,000</u>	<u>936,856</u>	<u>60,856</u>
Expenditures				
Current:				
Economic Development and Assistance:				
Personal services	266,000	266,000	246,500	19,500
Supplies and materials	29,000	29,000	28,048	952
Other services and charges	547,000	548,530	557,466	(8,936)
Repairs and maintenance	19,000	20,034	22,455	(2,421)
Total economic development and assistance	<u>861,000</u>	<u>863,564</u>	<u>854,469</u>	<u>9,095</u>
Capital Outlay	-	12,436	41,260	(28,824)
Total expenditures	<u>861,000</u>	<u>876,000</u>	<u>895,729</u>	<u>(19,729)</u>
Excess of Revenues Over Expenditures	-	-	41,127	41,127
Fund Balance				
Beginning of year	<u>1,385,939</u>	<u>1,324,281</u>	<u>1,324,281</u>	-
End of year	<u>\$ 1,385,939</u>	<u>\$ 1,324,281</u>	<u>\$ 1,365,408</u>	<u>\$ 41,127</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Tourist Commission**

December 31, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lafourche Parish Tourist Commission (the "Commission") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

The Commission is a component unit of the Lafourche Parish Council, (the Council) and as such, these financials will be included in the comprehensive annual report (CAFR) of the Council for the year ended December 31, 2019.

GASB Statement No. 14, *"The Financial Reporting Entity"*, GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units-an Amendment of GASB Statement No. 14"*, and GASB Statement No. 61, *"The Financial Reporting Entity Omnibus – An amendment of GASB Statements No. 14 and 34"* criterion for determining which component units should be considered part of the Commission for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Commission and the potential component unit.
4. Imposition of will by the Commission on the potential component unit.
5. Financial benefit/burden relationship between the Commission and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

The Commission has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

The daily accounts and operations of the Commission are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

c) Measurement Focus and 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Hotel/motel sales and use taxes are recognized as revenue in the period they are collected by the merchants.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Hotel/motel sales and use taxes are recognized as revenue in the period they are collected by the merchants. Miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board of Commissioners. The Commission amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for hotel/motel taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments include deposits in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortization cost rather than market value to report net position to complete share prices if certain conditions are not met.

h) Prepaid expenses

The Commission has recorded prepaid expenses in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The cost of website development and logo branding have been capitalized in accordance with GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." Other costs incurred for repairs and maintenance are expensed as incurred.

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 range of estimated useful lives by type of asset is as follows:

Buildings and land improvements	5 - 50 years
Office furniture, fixtures, and equipment	5 - 25 years
Intangible assets	5 years

Fund Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Compensated Absences

Accumulated paid leave time is recorded as an expenditure of the period in which paid in the governmental funds.

Full-time regular team members are entitled to 10 annual paid time off (PTO) days beginning on the first day of employment. Eligible employees earn 12 days of PTO after one year of employment, 15 days of PTO after two years of employment, 20 days of PTO after four years of employment, 25 days of PTO after ten years of employment, and 30 days of PTO after fifteen years of employment. All unused annual PTO will be forfeited as of December 31 with the exception of 7 days of PTO, which can be carried over to the following year. It is the policy of the Commission to pay terminated employees for any unused PTO provided a two week resignation is given.

The liability for paid leave time is recorded as a non-current liability in the government-wide statements.

k) Equity

Government-wide Statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of December 31, 2019 the Commission had no outstanding borrowings.
- b. Restricted - Consists of assets, liabilities and net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other net position that do not meet the definition of "restricted" or "Net investment in capital assets."

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. As of December 31, 2019, the Commission did not have restricted resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Equity (Continued)

Government-wide Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Commission's Board of Commissioners. Commitment may be established, modified, or rescinded only through ordinances or resolutions approved by the Commission's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed by that are intended to be used for specific purposes. Amounts may be assigned by majority vote of the Board of Commissioners or the Director.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the Commission considers an expenditure to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as unassigned as of December 31, 2019.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) New GASB Statements

During the year ending December 31, 2019, the Commission implemented the following GASB Statements:

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement did not affect the financial statements.

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity; and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement did not affect the financial statements.

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of the Coronavirus (COVID-19) pandemic. That objective is accomplished by postponing the effective dates of certain Statements and Implementation Guides to those dates reported below.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) New GASB Statements (Continued)

The GASB has issued the follow Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has yet determined the effect of this Statement on the financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) New GASB Statements (Continued)

majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should only include transactions that occurred subsequent to the inflows acquisition. The requirements are effective for reporting periods beginning December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) New GASB Statements (Continued)

commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) New GASB Statements (Continued)

of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for years beginning after June 15, 2020. Management has yet to determine the effect on this Statement.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Deposits:

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	\$456,648	\$404,339

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of December 31, 2019, \$206,648 of the Commission's bank balance of \$456,648 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the Commission's name by state statutes.

As of December 31, 2019, deposits were adequately collateralized, under state law, by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the Commission to invest in obligations of the U.S. Treasury agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Board's investment policy emphasized maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy requires the application of the prudent-person rule. This policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally do obtain the most favorable rate of return.*

The Commission's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

For an investment, custodial credit risk is that risk that, in the event of 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. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued as amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2019, amounted to \$926,123 and are classified on the Statement of Net Position under "cash and cash equivalents".

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Bank deposits	\$ 404,339
Investment in LAMP	<u>926,123</u>
Total cash and cash equivalents	<u>\$1,330,462</u>

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Capital assets being depreciated:				
Buildings and land improvements	\$ 1,357,308	\$ -	\$ -	\$ 1,357,308
Office furniture, fixtures, and equipment	98,358	41,260	(27,404)	112,214
Intangibles	39,975	-	-	39,975
 Total capital assets being depreciated	 1,495,641	 41,260	 (27,404)	 1,509,497
Less accumulated depreciation for:				
Buildings and land improvements	(294,908)	(43,494)	-	(338,402)
Office furniture, fixtures, and equipment	(78,482)	(10,535)	27,404	(61,613)
Intangibles	(13,647)	(7,995)	-	(21,642)
 Total accumulated depreciation	 (387,037)	 (62,024)	 27,404	 (421,657)
 Total capital assets, net	 <u>\$ 1,108,604</u>	 <u>\$ (20,764)</u>	 <u>\$ -</u>	 <u>\$ 1,087,840</u>

During the year ended December 31, 2019, the Commission purchased a 2020 Traverse for the Commission's use and replaced two air conditioning units for the Visitor's Center

Note 4 - LONG-TERM LIABILITIES

Long-term liabilities consist entirely of accumulated unpaid annual leave due after one year. For the year ended December 31, 2019, the Commission recognized a decrease in annual leave as shown below:

Balance at January 1, 2019	\$1,752
Increase for the year ended December 31, 2019	<u>906</u>
Balance at December 31, 2019	<u>\$2,658</u>

Note 5 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to worker's compensation; torts; theft of, damage to and destruction of assets; error and omission; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 6 - COMMITMENTS

In February 2019, the Commission entered into a new four year operating lease agreement for office equipment. The lease terms provide for monthly rental payments of \$350. Rental expenses for operating leases for the year ended December 31, 2019 totaled \$4,014.

Minimum lease payments over the remaining term of the lease are as follows:

2020	\$	4,200
2021		4,200
2022		4,200
2023		<u>700</u>
 Total		 <u>\$13,300</u>

Note 7 - BOARD MEMBERS

As set forth in the Commission's by-laws, the Board serves without compensation.

Note 8 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 17, 2020, which is the date the financial statements were available to be issued.

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the financial markets have recently experienced significant volatility. While the Commission has been immediately impacted by the adverse conditions in the financial markets, the long term impact on the Commission's operations is uncertain at this time.

SUPPLEMENTARY INFORMATION SECTION

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

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

Agency Head Name: Timothy Bush, President

Purpose

Salary	\$68,008
Benefits - insurance	7,653
Benefits - retirement	1,575
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	977
Travel	-
Registration fees	2,900
Conference travel	8,668
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	1,958
	<u>1,958</u>
	<u>\$91,739</u>

SPECIAL REPORTS OF 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
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Lafourche Parish Tourist Commission (the "Commission") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's financial statements and have issued our report thereon dated June 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we 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 Commission'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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 17, 2020.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards in excess of \$750,000 during the year ended December 31, 2019 and therefore is exempt from the audit requirements under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Section II - Financial Statement Findings

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2019.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2018.

No significant deficiencies were reported during the audit for the year ended December 31, 2018.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards in excess of \$750,000 during the year ended December 31, 2018 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2018.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2019.

No significant deficiencies were reported during the audit for the year ended December 31, 2019.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards in excess of \$750,000 during the year ended December 31, 2019 and therefore is exempt from the audit requirements under the Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2019.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

We have performed the procedures described in Schedule 2, which were agreed to by the Lafourche Parish Tourist Commission (the "Commission") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2019. The Commission's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the AICPA. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 2.

We were 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 these 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 to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 17, 2020.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Lafourche Parish Tourist Commission

For the year ended December 31, 2019

The required procedures and our findings are as follows:

Procedures performed on the Commission's Written Policies and Procedures:

1. Obtain the Commission'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 Commission does not have any written policies and procedures), as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained and read the written policy for purchasing, and found it contained all requirements listed above, except as noted below.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for disbursements, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Written Policies and Procedures: (Continued)

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions.

Performance: Obtained and read the written policy for receipts/collections, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Performance: Obtained and read the written policy for payroll/personnel, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written policy for contracting, and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled; (2) allowable business uses; (3) documentation requirements; (4) required approvers of statements; and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Performance: Obtained and read the written policy for credit cards, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

- h) Travel and expense reimbursement, including (1) allowable expenses; (2) dollar thresholds by category of expense; (3) documentation requirements; and (4) required approvers.

Performance: Obtained and read the written policy for travel and expense reimbursement, and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Written Policies and Procedures: (Continued)

- 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 Commission's ethics policy.

Performance: Obtained and read the written policy for ethics, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements; (3) debt reserve requirements; and (4) debt service requirements.

Performance: Obtained and read the written policy for debt service, and found it to contain all requirements listed above.

Exceptions: There were no exceptions noted.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Inquired of management as to a disaster recovery/business continuity policy.

Exceptions: Management confirmed there is no disaster recovery/business continuity policy.

Procedures performed on the Commission's Board:

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Prior year testing resulted in no exceptions related to the Commission's Board. Therefore, testing is not required in the current year.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Prior year testing resulted in no exceptions related to the Commission's Board. Therefore, testing is not required in the current year.

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Prior year testing resulted in no exceptions related to the Commission's Board. Therefore, testing is not required in the current year.

Procedures performed on the Commission's Bank Reconciliations:

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating accounts and select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

Performance: Inspected the December bank reconciliation for evidence that it was prepared within two months of the closing date.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Bank Reconciliations: (Continued)

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue check has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

Performance: Inspected the December bank reconciliation for evidence that it was reviewed by management/board member who does not handle cash, post ledgers, or issue checks.

Exceptions: There were no exceptions noted.

- c) Management has documentation reflecting that is has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inquired of management about one reconciling item that has been outstanding for more than 12 months from the closing of December 31, 2019. Although there was no written evidence on the reconciliation, management was aware of reconciling item and the item was researched. Management also stated the reconciling item will be resolved.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select five deposit sites (or all deposit sites if less than five).

Performance: Obtained the listing of cash/check/money order (cash) deposit sites from management, and received management's representation in a separate letter. The Commission has one deposit site.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Collections: (Continued)

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Select one collection location for each deposit site (i.e. collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There are no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and observed whether employees do not share cash drawers/registers.

Exceptions: There were no exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals and inquired of management and observed whether employees collecting cash are not responsible for making deposits. The employee responsible for collecting cash also make the deposits, but does not reconcile the collection account.

Exceptions: There were no exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Collections: (Continued)

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

7. Select two deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained collections made during the year. Due to the low volume of collections received during the year, pre-numbered receipts are not used.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's Collections: (Continued)

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).

Performance: Observed that the deposit was made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- 8. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Select five locations (or all locations if less than five).

Performance: Obtained the listing of locations that process payments, and received management's representation in a separate letter. The Commission's disbursements are processed by the Office Manager.

Exceptions: There were no exceptions noted.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Commission has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter. The Commission's disbursements are processed by the Office Manager.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above. All purchases are approved by the President/CEO by using a purchase requisition form.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above. The Office Manager processes payments and adds/modifies vendor files, but all vendors are first approved by the President/CEO. Vendors are reviewed when the President/CEO and Board Chair sign the checks for payment.

Exceptions: There were no exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

10. For each location selected under #8 above, obtain the Commission's non-payroll disbursement transaction population (excluding credit cards and travel reimbursements) and obtain management's representation that the population is complete. Select five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the Commission's general ledger for the fiscal period, and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

Exceptions: There were no exceptions.

Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-cards:

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-cards: (Continued)

12. Using the listing prepared by management, select five cards (or all cards if less than 5) that were used during the fiscal period. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Obtained the combined statement for five cardholders and reviewed for approval, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the combined statement for five cardholders and reviewed for finance charges and/or late fees.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

- 2) Written documentation of the business/public purpose.

Performance: Observed supporting documentation for evidence of business/public purpose.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-cards: (Continued)

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

Performance: For meal charges, inspected supporting documentation for evidence of the individuals participating in meals.

Exceptions: There were no records of the individuals participating in the meal for three tested transactions .

Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements:

14. Obtain from management a listing of all travel and related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Obtained the general ledger for travel and travel related expense reimbursements. Travel-related expenses were charged to a credit card, which are tested in steps 11 through 13. Inspected reimbursements related to mileage which were not charged to a credit card. Management's representation of the general ledger was confirmed in a separate letter.

Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Selected the mileage related expense reimbursements and obtained the supporting documentation. The Commission did not provide per diems in the five reimbursements selected.

Exceptions: There were no exceptions noted.

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

Performance: Mileage reimbursements were reimbursed using GSA rates for mileage.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements:
(Continued)**

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Performance: Selected the mileage related expense reimbursement and obtained the supporting documentation. Observed that the reimbursement has evidence of documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

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

Performance: Selected the mileage related expense reimbursement and obtained the supporting documentation. Observed that the reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Contracts:

15. Obtain a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Select five contracts (or all contracts if less than five) from the listing, and:

Prior year testing resulted in no exceptions related to the Commission's contracts. Therefore, testing is not required in the current year.

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

Prior year testing resulted in no exceptions related to the Commission's contracts. Therefore, testing is not required in the current year.

- b) Observe that the contract was approved by the governing body/Commission, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Prior year testing resulted in no exceptions related to the Commission's contracts. Therefore, testing is not required in the current year.

Procedures Performed on the Commission's Contracts: (Continued)

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Prior year testing resulted in no exceptions related to the Commission's contracts. Therefore, testing is not required in the current year.

- d) Select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Prior year testing resulted in no exceptions related to the Commission's contracts. Therefore, testing is not required in the current year.

Procedures Performed on the Commission's Payroll and Personnel:

16. Obtain a listing of employees during the fiscal period and management's representation that the listing is complete. Select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees/officials with their related salaries from management, and received management's representation in a separate letter. Selected five employees and agreed paid salaries to authorized salaries/pay rates per the personnel files.

Exceptions: There were no exceptions noted.

17. Select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Inquired about daily attendance records and inspected leave documentation.

Exceptions: There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected attendance and leave records for proper approval.

Exceptions: There were no exceptions noted.

Procedures Performed on the Commission's Payroll and Personnel: (Continued)

- c) Observe that any leave accrued or taken during the pay period is reflected in the Commission's cumulative leave records.

Performance: Obtained cumulative leave records and observed that any leave accrued or taken during selected pay period is included.

Exceptions: There were no exceptions noted.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials personnel files.

Performance: Obtained a listing of all employees that terminated during the period from management and received management's representation in a separate letter. Selected two employees/officials and obtained their personnel file. Traced hours and pay rates used in management's termination calculation to cumulative leave records and pay rates per the personnel file.

Exceptions: There were no exceptions noted.

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

Performance: Obtained management's representation that payroll related taxes and benefits have been paid and forms filed by the required deadline in a separate letter.

Exceptions: There were no exceptions noted.

Procedure Performed on the Commission's Ethics:

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

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period

Performance: Observed the ethics trainings certificate of the 5 randomly selected employees.

Exceptions: There were no exceptions noted.

Procedure Performed on the Commission's Ethics: (Continued)

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's policy during the fiscal period.

Performance: Inquired of management for documentation demonstrating each employee/official attested through signature verification that he or she has read the entity's policy during the fiscal period.

Exceptions: Management confirmed there are no signature verifications.

Procedures Performed on the Commission's Debt Service:

- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Prior year testing resulted in no exceptions related to the Commission's debt service. Therefore, testing is not required in the current year.

- 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Prior year testing resulted in no exceptions related to the Commission's debt service. Therefore, testing is not required in the current year.

Other Procedures Performed on the Commission:

- 23. Obtain a listing of misappropriations of public funds or assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Commission reported the misappropriation(s) to the Legislative Auditor and the District Attorney of the parish in which the Commission is domiciled.

Performance: Inquired of management for listing of any misappropriations of public funds or assets, none were noted.

Exceptions: There were no exceptions noted.

Other Procedures Performed on the Commission: (Continued)

24. Observe and report whether the Commission 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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted on the premises and the website.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

1k) Management will consider drafting a disaster recovery/business continuity policy.

13a) Management will consider recording all individuals participating in the meals.

20b) Management will consider having each employee/official attest through signature verification that he or she has read the entity's policy during the fiscal period.