

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

44

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July 17, 2019

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70802

RE: Natchitoches Parish Tourist Commission- Audit
December 31, 2018
Entity ID# 3199

Our office, Thomas, Cunningham, Broadway & Todtenbier, CPA's, TCBT, has revised the report for the above-referenced entity. The reason for this change is to correct accounts receivable and revenues as a draft version of the audit report was inadvertently submitted. The pages that contain revisions are as follows: 2,3,4,10,11,13,15,24,27,28, 32.

Sincerely,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway, & Todtenbier, CPA's
TCBT/sdw

REISSUE

**NATCHITOCHE PARISH
TOURIST COMMISSION
NATCHITOCHE, LA**

**FINANCIAL REPORT
DECEMBER 31, 2018**

Natchitoches Parish Tourist Commission
Financial Report
December 31, 2018

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NATCHITOCHE PARISH TOURIST COMMISSION

NATCHITOCHE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Natchitoches Parish Tourist Commission's (hereafter referred to as the Commission) annual financial report presents an overview and analysis of the Commission's financial activities for the year ended December 31, 2018. The intent of the MD&A is to look at the Commission's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Commission's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and presents a longer-term view of the Commission's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Commission's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Commission's 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 the current 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 the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the Commission are financed through a governmental fund. 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 Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the Commission's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Commission.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2018</u>	<u>2017</u>
ASSETS:		
Assets	\$365,050	\$291,333
Capital Assets, Net of Accumulated Depreciation	<u>401,343</u>	<u>432,867</u>
Total Assets	<u>\$766,393</u>	<u>\$724,200</u>
LIABILITIES:		
Accounts/Payroll Payable	\$ 8,631	\$ 9,121
Compensated Absences	1,665	3,429
Long-Term Debt	<u>220,000</u>	<u>270,000</u>
Total Liabilities	<u>\$230,296</u>	<u>\$282,550</u>
NET POSITION:		
Net Investment in Capital Assets	\$181,343	\$162,867
Unrestricted	<u>354,757</u>	<u>278,783</u>
Total Net Position	<u>\$536,097</u>	<u>\$441,650</u>

Summary of Statement of Activities

	<u>2018</u>	<u>2017</u>
REVENUES:		
General Revenues-		
Taxes	\$417,410	\$352,798
Intergovernmental	134,054	154,892
Other	<u>17,537</u>	<u>25,051</u>
Total Revenues	\$569,001	\$532,741
EXPENSES:		
General and Administration	<u>474,554</u>	<u>482,274</u>
Change in Net Position	\$ <u>94,447</u>	\$ <u>50,467</u>

- The Commission's assets exceeded its liabilities by \$536,097 (net position) for the year. This is an increase of \$94,447 from prior year.
- Unrestricted net position of \$354,757 represents the portion available to maintain the Commission's obligation to both citizens and creditors. For prior year, this was \$278,783.

General Fund Budgetary Highlights

Actual revenues were \$6,299 less than budgeted revenues and actual expenditures were less than the budgeted expenditures by \$7,994.

Economic Factors and Next Year's Budget

The primary revenue source for the Commission is Hotel/Motel Tax collected in the parish. This type of tax is subject to changes in the economy in the short-term. After considering many different areas, it was decided that the budget for FY 2019 should not change significantly from the FY 2018 budget.

Contacting the Tourist Commission

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Commission at 780 Front Street Suite 100, Natchitoches, LA 71457

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INDEPENDENT AUDITOR'S REPORT

Natchitoches Parish Tourist Commission
780 Front Street, Suite 100
Natchitoches, LA 71457

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Natchitoches Parish Tourist Commission (Commission), a component unit of the Natchitoches Parish Government, as of and for the year ended December 31, 2018, 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 an opinion 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 and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Budgetary Comparison Schedule and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2019, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated May 23, 2019, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway, & Todtenbier, CPA's

May 23, 2019

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Tourist Commission
Statement of Net Position
December 31, 2018

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$274,310
Revenue Receivable	89,358
Prepaid Expenses	<u>1,382</u>
Total Current Assets	\$365,050
Non-current Assets-	
Capital Assets (Net)	<u>401,343</u>
Total Assets	<u>\$766,393</u>
LIABILITIES:	
Current-	
Accounts Payable	\$ 7,703
Payroll Liabilities	928
Current Portion of Long-term Debt	<u>50,000</u>
Total Current Liabilities	<u>\$ 58,631</u>
Noncurrent-	
Accrued Compensated Absences	\$ 1,665
Long-Term Debt	<u>170,000</u>
Total Noncurrent Liabilities	<u>\$171,665</u>
Total Liabilities	<u>\$230,296</u>
NET POSITION:	
Net Investment in Capital Assets	\$181,343
Unrestricted	<u>354,754</u>
Total Net Position	<u>\$536,097</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Tourist Commission
Statement of Activities
December 31, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Culture & Tourism	<u>\$474,554</u>	<u>\$0</u>	<u>\$134,054</u>	<u>\$(340,500)</u>
General Revenues:				
Taxes-Hotel/Motel				\$ 417,410
Other				<u>17,537</u>
Total General Revenues				<u>\$ 434,947</u>
Change in Net Position				\$ 94,447
Net Position January 1, 2018				<u>441,650</u>
Net Position December 31, 2018				<u>\$ 536,097</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Tourist Commission
Balance Sheet-Governmental Fund
December 31, 2018

Assets:

Cash & Cash Equivalents	\$274,310
Revenue Receivable	89,358
Prepaid Expenses	<u>1,382</u>
Total Assets	<u>\$365,050</u>

Liabilities:

Accounts Payable	\$ 7,703
Payroll Liabilities	<u>928</u>
Total Liabilities	<u>\$ 8,631</u>

Fund Balance:

Unassigned	<u>\$356,419</u>
Total Liabilities and Fund Balance	<u>\$365,050</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Tourist Commission
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2018

Total Governmental Fund Balance at December 31, 2018	\$ 356,419
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 Balance Sheet. These assets consist of	
Capital Assets	632,449
Less: Accumulated Depreciation	(231,106)
Long-Term Liabilities are not due and payable in the current period and therefore are not reported in the Governmental Fund Balance Sheet-	
Long-Term Debt - Certificates of Indebtedness	(220,000)
Compensated Absences	<u>(1,665)</u>
Total Net Position of Governmental Activities at December 31, 2018	<u>\$ 536,097</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Tourist Commission
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2018

REVENUES:	
Hotel/Motel Tax	\$417,410
Intergovernmental-	
State Funding	134,054
Local Funds	17,111
Miscellaneous-	
Interest/Other	<u>426</u>
Total Revenues	<u>\$569,001</u>
EXPENDITURES:	
Current-	
Culture & Tourism-	
Salaries/Benefits	\$159,486
Advertising/Promotion	208,255
Storage Facility	2,040
Vehicle Repair & Maintenance	158
Utilities	3,538
Building Repair & Maintenance	2,245
Computer Repair & Maintenance	3,739
Dues & Subscriptions	1,670
Equipment Rental & Maintenance	6,064
Hospitality	3,162
Insurance	7,341
Website Development	1,289
Office & Supplies	4,989
Postage	4,297
Professional Fees	1,200
Accounting/Audit	15,200
Telephone	5,383
Security System	180
Group Travel	3,650
Grant Expenses	2,545
Debt Service-	
Principal	50,000
Interest	<u>8,363</u>
Total Expenditures	<u>\$494,794</u>
Excess of Revenues over Expenditures	\$ 74,207
Fund Balance-Beginning of Year	<u>282,211</u>
Fund Balance-End of Year	<u>\$356,419</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Tourist Commission
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2018

Net Change in Fund Balance-Governmental Fund	\$ 74,207
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	(31,524)
Payments made on Long-term Debt are shown as expenditures in the Governmental Funds, but the payments reduce Long-term Liabilities in the Statement of Net Position. Change in Long-term Debt is	50,000
Decreases in Long-term Debt are shown as a decrease in expenses on the Statement of Activities, but are not reported in the Governmental Funds. Change in Accrued Compensated Absences is	<u>1,764</u>
Total Change in Net Position, per Statement of Activities	<u>\$ 94,447</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

Introduction:

The Natchitoches Parish Tourist Commission (Commission), Natchitoches, Louisiana, was created by an ordinance of the Natchitoches Parish Government on July 21, 1976. The purpose of the Commission is to promote tourism in the parish. The Commission is governed by a Board of Commissioners consisting of seven members who are approved by the Parish Government. The Commission is financed mainly by a Hotel/Motel tax levied within the parish.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

A. Reporting Entity-

Pursuant to Article VI, Sections 19 and 30 of the Constitution of Louisiana, the Natchitoches Parish Tourist Commission is hereby specifically created as a special district of commissions. Natchitoches Parish Tourist Commission shall be a body politic and corporate and a political subdivision of the State of Louisiana.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the government-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

C. Fund Accounting-

The accounts of the Commission are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Commission maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the Commission is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Commission as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

thereafter to pay liabilities of the current period. The Commission considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and savings accounts of the Commission.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Office	20 years
Furniture, computers	5 years
Vehicles	5 years

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.

Compensated Absences-

Employees earn leave (vacation) based on the years of service. The maximum number of hours that can be carried forward/paid upon separation is 300 hours.

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

Equity Classifications-

In the 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.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

The General Fund has an unassigned fund balance of \$356,419. If applicable, the Commission would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

G. Budget-

Prior to the beginning of each fiscal year, the Commission adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Natchitoches Parish Tourist Commission are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Commission's name.

Bank account balances at December 31, 2018, totaled \$283,331 and were fully secured by FDIC Insurance.

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

3. Capital Assets:

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

<u>Governmental Activities</u>	<u>Balance 01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-18</u>
Capital Assets, Depreciated:				
Office - Condo	\$484,991	\$ 0	\$ 0	\$484,991
Furniture, fixtures & equipment	32,888	0	0	32,888
Vehicle	40,739	0	\$18,850	21,889
Renovations	<u>92,681</u>	<u>0</u>	<u>0</u>	<u>92,681</u>
Total Capital Assets Depreciated	<u>\$651,299</u>	<u>\$ 0</u>	<u>\$18,850</u>	<u>\$632,449</u>
Less Accumulated Depreciation:				
Office - Condo	\$133,370	\$ 24,249	\$ 0	\$157,619
Furniture, fixtures & equipment	31,863	731	0	32,594
Vehicle	19,215	365	\$18,850	730
Renovations	<u>33,984</u>	<u>6,179</u>	<u>0</u>	<u>40,163</u>
Total Depreciation	<u>\$218,432</u>	<u>\$ 31,524</u>	<u>\$ 0</u>	<u>\$231,106</u>
Net Capital Assets	<u>\$432,867</u>	<u>\$(31,524)</u>	<u>\$ 0</u>	<u>\$401,343</u>

Depreciation expense of \$31,524 was charged to the Culture & Tourism function.

4. Compensation Paid to Board Members:

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

5. Compensated Absences:

The following is a summary of changes for compensated absences for the year ended December 31, 2018:

<u>Balance 01-01-18</u>	<u>Decrease</u>	<u>Balance 12-31-18</u>
<u>\$3,428</u>	<u>\$1,764</u>	<u>\$1,665</u>

6. Litigation and Claims:

Management has advised that there is no litigation pending against the Natchitoches Parish Tourist Commission at December 31, 2018.

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

7. Post-Employment Benefits:

The Commission does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

8. Retirement:

In January 2010, the Commission's board agreed to begin a SIMPLE IRA Retirement Plan. Full-time staff members (after 90 days of employment) qualify to participate in this program. For those employees participating in the plan, they can contribute either a percentage of their annual compensation or a specific dollar amount; neither method can exceed the maximum contribution amount set by law. The Commission will match their contribution up to 3% of the employee's annual compensation. This program will be subject to review prior to the beginning of each year. Cost to the Commission for the years ended December 31, 2018 and 2017, and 2016 were \$1,504, \$1,504 and \$1,477, respectively.

9. Receivables:

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

<u>Class of Receivable</u>	
Taxes-	
Hotel/Motel Tax	\$89,358
State	<u>3,212</u>
Total	<u>\$92,570</u>

10. Long-Term Debt:

During the year ended December 31, 2012, the Commission issued \$500,000 of Certificates of Indebtedness. All Certificates of Indebtedness were purchased by Sabine State Bank and Trust. Interest is payable on March 1 and September 1, 2012 through March 2022. Principal payments are due on March 1 for the years 2013 through 2022.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 50,000	\$ 7,175	\$ 57,175
2020	55,000	5,725	60,725
2021	55,000	3,800	58,800
2022	<u>60,000</u>	<u>1,350</u>	<u>61,350</u>
Total	<u>\$220,000</u>	<u>\$18,050</u>	<u>\$238,050</u>

Natchitoches Parish Tourist Commission
Notes to Financial Statements
December 31, 2018

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

	<u>Balance</u> <u>01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-18</u>
Certificates of Indebtedness	<u>\$270,000</u>	<u>\$0</u>	<u>\$50,000</u>	<u>\$220,000</u>

11. Contingencies:

The Natchitoches Parish Tourist Commission has filed an allocation against the Natchitoches Parish Tax Commission for failure to pay the "value-added tax" collected from a downtown hotel. As of December 31, 2018, the amount of the value-added tax owed to the Tourist Commission is unknown.

12. Subsequent Events:

Management has evaluated events through May 23, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTAL INFORMATION

Natchitoches Parish Tourist Commission
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budget		Actual	Variance- Favorable
	Original	Final		(Unfavorable)
REVENUES:				
Hotel/Motel Tax	\$375,000	\$390,000	\$417,410	\$27,410
Intergovernmental-				
State Funding	120,000	168,000	134,054	(33,946)
Local Grants	2,500	1,500	1,500	0
Local Funds	18,500	15,500	15,611	111
Miscellaneous-				
Interest/Other	250	300	426	126
Total Revenues	<u>\$516,250</u>	<u>\$575,300</u>	<u>\$569,001</u>	<u>\$(6,299)</u>
EXPENDITURES:				
Current-				
Culture & Tourism-				
Salaries/Benefits	\$175,000	\$160,000	\$159,486	\$ 514
Advertising/Promotion	190,000	200,000	208,255	(8,255)
Storage Facility	2,050	2,050	2,040	10
Vehicle Repair & Maintenance	2,000	150	158	(8)
Utilities	3,500	3,500	3,538	(38)
Building Repair & Maintenance	5,000	2,500	2,245	255
Computer Repair & Maintenance	3,000	3,750	3,739	11
Dues & Subscriptions	3,750	1,500	1,670	(170)
Equipment Rental & Maintenance	6,000	6,000	6,064	(64)
Hospitality	1,500	2,500	3,162	(662)
Insurance	6,000	7,500	7,341	159
Website Development	2,500	2,500	1,289	1,211
Office & Supplies	6,000	6,000	4,989	1,011
Postage	7,500	6,000	4,297	1,703
Professional Fees	5,200	3,500	1,200	2,300
Accounting/Audit	13,000	15,200	15,200	0
Telephone	5,000	5,000	5,383	(383)
Security System	750	750	180	570
Group Travel	0	0	3,650	(3,650)
Grant Expenses	0	0	2,545	(2,545)
Debt Service-				
Principal	50,000	50,000	50,000	0
Interest	<u>8,400</u>	<u>8,400</u>	<u>8,363</u>	<u>36</u>
Total Expenditures	<u>\$496,150</u>	<u>\$486,800</u>	<u>\$494,794</u>	<u>\$ (7,994)</u>

Continued next page.

See independent auditor's report.

Natchitoches Parish Tourist Commission
General Fund
Budgetary Comparison Schedule (continued)
For the Year Ended December 31, 2018

	<u>Budget</u>		<u>Actual</u>	Variance- Favorable (<u>Unfavorable</u>)
	<u>Original</u>	<u>Final</u>		
Excess of Revenues over Expenditures	\$ 20,100	\$ 88,500	\$ 74,207	\$14,293
Fund Balance-Beginning of Year	<u>282,211</u>	<u>282,211</u>	<u>282,211</u>	<u>0</u>
Fund Balance-End of Year	<u>\$302,311</u>	<u>\$370,711</u>	<u>\$356,419</u>	<u>\$14,292</u>

See independent auditor's report.

Natchitoches Parish Tourist Commission
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Agency Head Name: Arlene Gould, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$51,650
Benefits-Insurance	7,656
Benefits-Retirement	1,505
Deferred Compensation	0
Benefits-Social Security	3,202
Benefits-Medicare	750
Benefits-HSA	2,800
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per Diem	0
Reimbursements	0
Travel	1,450
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals-Chamber	0
Other	<u>0</u>
Total	<u>\$69,013</u>

See independent auditor's report.

T | C | B | T
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Natchitoches Parish Tourist Commission
781 Front Street
Natchitoches, LA 71457

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish Tourist Commission's (Commission) basic financial statements and have issued our report thereon dated May 23, 2019.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway, & Todtenbier, CPA's

May 23, 2019
Natchitoches, Louisiana

Natchitoches Parish Tourist Commission
Schedule of Audit Findings
Year Ended December 31, 2018

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Natchitoches Parish Tourist Commission as of and for the year ended December 31, 2018.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None Identified.

IV. PRIOR YEAR AUDIT FINDINGS

None Identified.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES

To the Board Commissioners
of Natchitoches Parish Tourist Commission

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of the Natchitoches Parish Tourist 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 fiscal period January 1, 2018 through December 31, 2018. Natchitoches Parish Tourist Commission is responsible for those C/C areas identified in the SAUPs.

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

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **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).
 - **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- a) Procedure Results - Not required due to no exceptions in this area in the prior year.

Board (or Finance Committee, if applicable)

2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
- Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed 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. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - For governmental entities, obtained the prior year audit report and observed 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, observed 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.
- a) Procedure Results – Not required due to no exceptions in this area in the prior year.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
 - a) Procedure Results – We noted three exceptions: 1) outstanding items from 2016, 2) a board member is not reviewing bank statements for the Sabine State Bank and Bank of Montgomery accounts, and 3) bank reconciliations are not performed for these two accounts.

Collections

4. We obtained 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. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
- Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. We obtained supporting documentation for each of the deposits selected and:
 1. We observed that receipts are sequentially pre-numbered.
 2. We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 3. We traced the deposit slip total to the actual deposit per the bank statement.
 4. We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 5. We traced the actual deposit per the bank statement to the general ledger.
 - a) Procedure Results – We noted one exception, which is none of the employees who handle cash are bonded.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
 1. We observed that the disbursement matched the related original invoice/billing statement.
 2. We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - a) Procedure Results – No exception noted.

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

11. We obtained 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. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
 1. We observed 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.
 2. We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.
 - a) Procedure Results – Not required due to no exceptions in this area in the prior year.

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained 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:
 - If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
 - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results – Not required due to no exceptions in this area in the prior year.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
- a) Procedure Results – Not required due to no exceptions in this area in the prior year.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. We obtained 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.

a) Procedure Results – No exception noted.

Ethics

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

- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

a) Procedure Results – No exception noted.

Debt Service (excluding nonprofits)

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

22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

b) Procedure Results – No procedures were performed as there was no outstanding debt or debt issued during this fiscal period.

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

a) Procedure Results – Not required due to no exceptions in this area in the prior year.

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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Thomas, Cunningham, Broadway, & Todtenbier, CPA's

May 23, 2019
Natchitoches, Louisiana

Natchitoches Parish Tourist Commission
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2018

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 3: Exception – Bank reconciliations and board member/management review of bank statements not being performed on two bank accounts. There are outstanding items from 2016.

Response – We will perform bank reconciliations on smaller accounts and clear outstanding items from bank reconciliation.