

DESOTO PARISH TOURISM COMMISSION

MANSFIELD, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2016

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

DESOTO PARISH TOURISM COMMISSION

Contents

December 31, 2016

	<u>Page</u>
Accountant's Compilation Report	1
Government-Wide Financial Statements	
Basic Financial Statements:	
Statement of Net Position	2
Statement of Activities	3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4
Reconciliation of Fund Balances on the Balance Sheets for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Notes to Financial Statements	8-9
Required Supplementary Information:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds - General Fund- Budget (GAAP) Basis and Actual	10
Other Supplementary Information:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	11
Corrective Action Taken on Prior Year Findings	12
Schedule of Findings	13-14



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

To the Board of Commissioners
DeSoto Parish Tourism Commission
Mansfield, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeSoto Parish Tourism Commission, a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Marsha O. Millican

Certified Public Accountant
August 13, 2018

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

DESOTO PARISH TOURISM COMMISSION

Statement of Net Position

December 31, 2016

ASSETS	
Cash	\$ 448,060
Due from Other Governments	20,229
Capital assets, net of depreciation	<u>-</u>
Total Assets	<u>468,289</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>-</u>
LIABILITIES	
Liabilities	
Payroll taxes payable	<u>703</u>
Total Liabilities	<u>703</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>-</u>
NET POSITION	
Invested in capital assets, net of debt	-
Unassigned	<u>467,586</u>
Total Net Position	<u>\$ 467,586</u>

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION
Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Tourism	\$ 154,716	\$ -	\$ -	\$ -	\$ (154,716)
Depreciation	-	-	-	-	-
Total Governmental Activities	\$ 154,716	\$ -	\$ -	\$ -	(154,716)
 GENERAL REVENUES					
Occupancy taxes					177,623
Interest income					655
Total General Revenues					178,278
 Change in Net Position					 23,562
Net Position, Beginning of Year					444,024
Net Position, End of Year					\$ 467,586

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION

Balance Sheet
Governmental Fund
December 31, 2016

ASSETS		
Cash		\$ 448,060
Due from Other Governments		<u>20,229</u>
Total Assets		<u>\$ 468,289</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Payroll taxes payable		<u>703</u>
Total Liabilities		<u>703</u>
Fund Balances		
Committed		-
Unassigned		<u>467,586</u>
Total Net Assets		<u>467,586</u>
Total Liabilities and Fund Balances		<u>\$ 468,289</u>

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION

Reconciliation of the Governmental Balance Sheet
to the Statement of Net Position

For the Year Ended December 31, 2016

Total Fund Balance for Governmental Funds	\$ 467,586
Total Net Position for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	-
Total Net Position of Governmental Activities	<u>\$ 467,586</u>

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

REVENUES

Occupancy Taxes	\$ 177,623
Interest Income	<u>655</u>
Total Revenues	<u>178,278</u>

EXPENDITURES

Tourism	<u>154,716</u>
Total Expenditures	<u>154,716</u>
Net Change in Fund Balances	23,562
Fund Balances, Beginning of year	<u>444,024</u>
Fund Balances, End of year	<u><u>\$ 467,586</u></u>

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2016

Net changes in Fund Balances - Total Government Funds \$ 23,562

The change in Net Position reported for governmental activities
in the statement of activities is 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. This is the amount by
which capital outlay (\$-0-) exceeds
depreciation (\$-0-) in the current period.

-

Changes in Net Position of Governmental Activities \$ 23,562

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION

Notes to Financial Statements

December 31, 2016

DeSoto Parish Tourism Commission was created by Ordinance No. 2 of DeSoto Parish Police Jury on June 13, 1984. The ordinance states the purpose of the Commission is the promotion of conventions and tourism in the parish of DeSoto. The Commission conducts its operations as DeSoto Parish Tourist Bureau. The Commission is a component unit of DeSoto Parish Police Jury.

The Commission is governed by a board of seven directors appointed by DeSoto Parish Police Jury. Appointments are made from a list of nominees submitted to the Police Jury by DeSoto Parish Chamber of Commerce. The directors are appointed for terms of three years.

1. Summary of Significant Accounting Policies:

The financial statements of DeSoto Parish Tourism Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The following is a summary of the more significant accounting policies:

Fund Accounting. The accounts of the Commission are organized on the basis of funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate the legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental funds are used to account for all or most of a government's general activities, including acquisition or construction of general fixed assets. The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis for accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 thereafter to be used to pay liabilities for the current period. Hotel/Motel receipts collected by the DeSoto Parish Police Jury but not remitted to the Commission are treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgets and Budgetary Accounting. The Commission follows the procedures listed below in establishing the budgetary data reflected in these financial statements.

The Treasurer prepares a proposed budget which is submitted to the Board for consideration and approval by the Commission.

The Commission approved budget is then presented to the DeSoto Parish Police Jury for consideration and final approval.

All budgetary appropriations lapse at the end of each year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted.

General Fixed Assets. General fixed assets purchased are recorded at cost. Donated assets are recorded at the fair market value on the date of donation.

Compensated Absences. The Commission does not compensate its employees for absence from work.

Due from Other Governments. Amounts due from other governments are considered to be fully collectible.

2. Cash:

At December 31, 2016, the Commission had cash deposits in financial institutions totaling \$454,065 while the book's balances were \$448,060. The difference from the book balance is due to outstanding checks at year end. Balances of \$398,909 were fully insured by FDIC insurance. Balances of \$55,156 were collateralized by securities held in the Commission's name. (Category 3).

3. Fixed Assets:

Fixed assets consists of the following:

Furniture and fixtures	\$ 7,571
Accumulated depreciation	<u>(7,571)</u>
Net book value	<u>\$ -0-</u>

4. Per Diem Paid to Commissioners:

No per diem was paid to commissioners for the period January 1, 2016 through December 31, 2016.

DESOTO PARISH TOURIST COMMISSION

Budgetary Comparison Schedule - Governmental Fund - General Fund

For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Occupancy Taxes	\$ 195,750	\$ 195,750	\$ 177,623	\$ (18,127)
Interest	500	500	655	155
Total Revenues	<u>196,250</u>	<u>196,250</u>	<u>178,278</u>	<u>(17,972)</u>
EXPENDITURES				
Current:				
Tourism	<u>196,250</u>	<u>196,250</u>	<u>154,716</u>	<u>41,534</u>
Total Expenditures	<u>196,250</u>	<u>196,250</u>	<u>154,716</u>	<u>41,534</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>23,562</u>	<u>23,562</u>
FUND BALANCES				
Beginning of year	<u>444,024</u>	<u>444,024</u>	<u>444,024</u>	<u>-</u>
End of year	<u>\$ 444,024</u>	<u>\$ 444,024</u>	<u>\$ 467,586</u>	<u>\$ 23,562</u>

DESOTO PARISH TOURIST COMMISSION
Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2016

Agency Head: Edna Thornton, Executive Director

Salary	<u>\$ 9,361</u>
Payroll Taxes	<u>\$ 716</u>
Reimbursements	<u>\$ 429</u>

DESOTO PARISH TOURISM COMMISSION
Corrective Action Taken on Prior Year Findings
For the Year Ended December 31, 2016

Finding 2015-1: The segregation of duties is inadequate to provide effective internal control.

Status: Unresolved.

Finding 2015-2: The Commission did not file its financial statements with the Legislative Auditor within the time frame required by state law.

Status: Unresolved.

DESOTO PARISH TOURISM COMMISSION

Schedule of Findings

For the Year Ended December 31, 2016

Finding # 2016-1:

Criteria: Effective internal control requires segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Cause:The condition is due to space and economic limitations.

Effect: Unknown

Recommendation: Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the independent accountant do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding # 2016-2:

Criteria: State law requires the Commission to file its financial statements with the Legislative Auditor within six months after year end.

Condition: The Commission did not file its financial statements with the Legislative Auditor within the time frame required by State Law.

Cause:

Unknown.

Effect: The Commission is not in compliance with state law.

Recommendation: I recommend the Commission file its financial statements within the time frame required by State Law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will file our financial statements with the Legislative Auditor within the time frame required by State Law in the future.

DESOTO PARISH TOURISM COMMISSION

Schedule of Findings (Continued)

For the Year Ended December 31, 2016

Finding # 2016-3:

Criteria: State law requires the Commission to amend the budget whenever actual revenues fail to meet budgeted amounts by 5% or more.

Condition: Actual revenues failed to meet budgeted amounts by more than 5%. The Commission did not amend the budget.

Cause:

Unknown.

Effect: The Commission is not in compliance with state law.

Recommendation: I recommend the Commission amend the budget whenever required by state law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will file amend the budget whenever required by state law in the future.