

Sabine Parish Tourist and Recreation Commission

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2019



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Eugene W. Fremaux II
Certified Public Accountant

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
DECEMBER 31, 2019

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS		1
<u>BASIC FINANCIAL STATEMENTS</u>		
<u>Government Wide Financial Statements</u>		
Statement of Net Position	A	4
Statement of Activities	B	5
<u>Fund Financial Statements - Governmental Funds</u>		
Balance Sheet - Governmental Funds	C	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	7
Statement of revenues, expenditures and changes in fund balance - governmental funds	E	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in fund balances to the Statement Of Activities	F	9
<u>Notes to financial statements</u>		10
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>		
Budgetary Comparison - General Fund	G	16
<u>OTHER SUPPLEMENTARY INFORMATION</u>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head	H	17
<u>OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i></u>		
Schedule of Findings and Questioned Costs		19
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 <i>Government Auditing Standards</i>		20

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sabine Parish Tourist and
Recreation Commission
Many, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Sabine Parish Tourist and Recreation 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 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 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 Sabine Parish Tourist and Recreation Commission as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Management has omitted management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

We have applied certain limited procedures to the required budgetary comparison information (page 16) 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 payment to the agency head labeled as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to the agency head is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 18, 2020, on our consideration of Sabine Parish Tourist and Recreation Commission's internal control over financial reporting and our tests on its compliance with certain provision of laws, regulations, contracts 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.

A handwritten signature in black ink, appearing to read 'Eugene W. Fremaux II', with a long horizontal line extending to the right from the end of the signature.

EUGENE W. FREMAUX II, CPA
May 18, 2020

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
STATEMENT OF NET POSITION

December 31, 2019

ASSETS

Current assets:

Cash	\$ 302,754
Investments	150,000
Receivables	52,243
Prepays	5,298
Capital assets	
Nondepreciable-land	55,823
Depreciable capital assets, net of depreciation	<u>298,605</u>

TOTAL ASSETS	<u>\$ 864,723</u>
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LIABILITIES

Accounts payable	\$ 8,450
Long-term liabilities:	
Compensated absences	<u>11,963</u>
TOTAL LIABILITIES	20,413

NET POSITION

Invested in capital assets	354,428
Unrestricted	<u>489,882</u>
TOTAL NET POSITION	<u>\$ 844,310</u>

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenses	Charges for Services	Program revenues Operating grants and contributions	Capital grants and contributions	Net (Expense) Revenue and changes in Net assets Governmental Unit
<u>FUNCTIONS/PROGRAMS</u>					
Governmental activities:					
General government	\$ 484,266	\$ 32,883	\$ 269,685	\$ -	\$ (181,698)
Total governmental activities	<u>484,266</u>	<u>32,883</u>	<u>269,685</u>	<u>-</u>	<u>(181,698)</u>
General revenues:					
Hotel-motel tax					184,460
Interest					998
Miscellaneous					<u>4,144</u>
Total general revenues					<u>189,602</u>
Change in net position					7,904
Net position, beginning of year					<u>836,406</u>
Net position, end of year					<u><u>\$ 844,310</u></u>

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2019

ASSETS

Cash	\$ 302,754
Investments	150,000
Accounts receivable	52,243
Prepaid expenses	<u>5,298</u>
Total assets	<u>\$ 510,295</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 5,191
Other payables	<u>3,259</u>
Total liabilities	<u>8,450</u>
Fund balances:	
Nonspendable-prepaid expenses	5,298
Spendable-unassigned	<u>496,547</u>
Total fund balance	<u>501,845</u>
Total liabilities and fund balance	<u>\$ 510,295</u>

SABINE PARISH TOURIST AND RECREATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2019

Total fund balance - Governmental Fund	\$ 501,845
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position	354,428
Compensated absences are not due and payable in the current period and, therefore, are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position	<u>(11,963)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 844,310</u>

EXHIBIT E

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2019

Revenues:	
Hotel-motel tax	\$ 184,460
Louisiana sales tax appropriation	192,967
Rent income	10,740
Grants received	76,718
Consulting revenue	22,143
Miscellaneous income	4,145
Interest income	<u>998</u>
 Total revenues	 <u>492,171</u>
Expenditures:	
Advertising, printing and publicity	214,303
Personnel expenses	154,268
Office and postage	19,736
Insurance	6,155
Occupancy expenses	23,320
Collection fees	3,630
Dues	4,820
Other	<u>19,820</u>
 Total expenditures	 <u>446,052</u>
 Net Change in Fund Balance	 46,119
 Fund balance, beginning of year	 <u>455,726</u>
 Fund balance, end of year	 <u><u>\$ 501,845</u></u>

SABINE PARISH TOURIST AND RECREATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

December 31, 2019

Net change in Governmental Fund balance	\$ 46,119
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>	
Depreciation expense included in the Statement of Activities	(26,252)
<p>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.</p>	
Compensated absences	<u>(11,963)</u>
Change in net position - Governmental Activities	<u>\$ 7,904</u>

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(1) Summary of significant accounting policies

The Sabine Parish Tourist and Recreation Commission, Many, Louisiana, was created in 1974 and operates as a political subdivision of the state of Louisiana under R.S. 33:4574 to promote tourism with Sabine Parish. The accounting and reporting practices of the Sabine Parish Tourist and Recreation Commission conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The following is a summary of the Commission's significant policies:

A. Reporting Entity

This report includes all funds which are controlled by or dependent on the Commission. Control by or dependence on the Commission was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Based on this criteria, there is no other governmental body that should be included in these statements.

B. Fund Accounting

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are grouped in this report into one generic fund type and one broad fund category as follows:

Governmental Fund Type:

General Fund - The general fund is the general operating fund of the Commission. It is used to account for all financial resources of the Commission.

C. Basis of Accounting

Government wide financial statements

The government wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses,

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Program revenues included in the Statement of Activities derive directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Commission's general revenues.

Fund financial statements

The general fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become available as net current assets. Tariff fees, intergovernmental revenues, and interest are accrued when their receipt occurs soon enough after the end of the accounting period to be both measurable and available.

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

The Commission applies all applicable GASB pronouncements in accounting and reporting for its government-wide financial statements.

D. Budget Practices

The Commission prepares and adopts an annual budget, the dollar amounts being allocated to the various expenditure categories based upon the total amount of anticipated revenues. The Commission amends the budget as appropriate. Budget appropriations lapse at the end of each year.

E. Capital Assets

All capital assets are capitalized at historical cost. The Commission maintains a threshold level of \$2,500 or more for capitalizing capital assets. Capital assets are recorded in the basic financial statements, but are not reported in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives, which vary from 5 to 40 years.

F. 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.

G. Net Position

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt – consist 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 attributed to the acquisition, construction, or improvement of those assets;
2. Restricted net position – net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or b) law through constitutional provisions or enabling legislation;
3. Unrestricted – all other net position is reported in this category.

H. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable – amounts that cannot be spent wither because they are in nonspendable form or because they are legally or contractually required to be maintained intact;
2. Restricted – amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation;
3. Committed – amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Commissioners). These amounts cannot be used for any other purposes unless the government takes the same highest level action to remove or change the constraint;
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Commissioners or its management to which the Board of Commissioners has delegated the authority to assign amounts for specific purposes;
5. Unassigned – all other spendable amounts.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The Commission typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund classifications could be used.

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. Compensated Absences

Vested or accumulated leave is accrued in the period the liability is incurred. Compensated absences expected to be financed from governmental funds are not reported in the Balance Sheet of the fund financial statements; however, the liability is reported in the Statement of Net Position of the government-wide financial statements. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

(2) Pending litigation

The Sabine Parish Tourist and Recreation Commission is not involved in any litigation at December 31, 2019.

(3) Tax revenue

The Commission is authorized to levy and collect sales taxes at the rate of 3% of certain sales by tourist enterprises. Effective July 1, 1996 the Commission replaced the sales tax ordinance as adopted by the Sabine Parish Police Jury on July 17, 1974 with an ordinance to collect a 3% occupancy tax within the framework provided by Act No. 47 of the 1995 Regular Session of the Louisiana Legislature. During the year ended June 30, 1993, the Commission entered into an agreement with the Sabine Parish Sales and Use Tax Commission (Tax Commission) to authorize the Tax Commission to collect the occupancy tax beginning February 1, 1993.

During the year ended December 31, 2019, the Commission received certain appropriated sales tax revenues from Louisiana.

(4) Rental income

Beginning May 1, 2010, the Louisiana House of Representatives began renting office space from the Commission for \$500 per month through December 31, 2019. During March of 2018, the Sabine Parish Chamber of Commerce began renting office space from the Commission for \$395 per month.

(5) Accounts receivable

At December 31, 2019, receivables of \$52,243 consisted of \$7,856 due from the Sabine Parish Sales Tax Commission, \$44,315 due from the state of Louisiana, and \$72 due from others.

(6) Leases

The Sabine Parish Tourist and Recreation Commission is not involved in any capital or long-term operating leases at December 31, 2019.

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(7) Cash and investments

Louisiana Revised Statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit, or any other federally insured investment. Investments are stated at cost, which approximates market value. Of the total of \$452,454 in cash deposited in demand and time deposits as of December 31, 2019, \$250,000 was secured through federal depository insurance and \$202,454 was secured by the pledge of securities with a face value of \$535,000 owned by the depository bank. These securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties. These secured bank deposits are considered uncollateralized under the provisions of GASB Statement 3; however, Louisiana Revised Statutes require the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Commission that the pledging bank has failed to pay deposited funds upon demand.

(8) Changes in general fixed assets

Capital assets and related depreciation activity for the year ended December 31, 2019, are as follows:

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

	Beginning of year	Additions	Deductions	End of year
<u>Cost of capital assets:</u>				
Land	\$ 55,823	\$ -	\$ -	\$ 55,823
Construction in progress	-	-	-	-
Land improvements	351,040	-	-	351,040
Building	247,570	-	-	247,570
Equipment	63,917	-	2,659	61,258
Furniture	19,787	-	-	19,787
	<u>738,137</u>	<u>-</u>	<u>2,659</u>	<u>735,478</u>
<u>Accumulated depreciation:</u>				
Land improvements	190,928	17,141	-	208,069
Building	89,741	6,189	-	95,930
Equipment	57,663	2,542	2,659	57,546
Furniture	19,125	379	-	19,504
	<u>357,457</u>	<u>26,251</u>	<u>2,659</u>	<u>381,049</u>
Capital assets, net of accumulated depreciation	<u>\$ 380,680</u>	<u>\$ (26,251)</u>	<u>\$ -</u>	<u>\$ 354,429</u>

(9) Compensation of directors

The directors received no compensation or per diem during the year ended December 31, 2019.

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019
(unaudited)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:				
Hotel-motel tax	\$ 164,000	\$ 175,000	\$ 184,460	\$ 9,460
Louisiana appropriation	165,000	178,000	192,967	14,967
Rent income	10,740	10,740	10,740	-
Grants received	103,753	74,918	76,718	1,800
Consulting revenue	-	-	22,143	-
Miscellaneous income	2,500	2,500	4,145	1,645
Interest income	1,200	1,200	998	(202)
	<u>447,193</u>	<u>442,358</u>	<u>492,171</u>	<u>27,670</u>
Total revenues				
Expenditures:				
General government:				
Advertising and publicity	276,119	228,932	214,303	14,629
Personnel expenses	164,000	164,000	154,268	9,732
Office and postage	18,820	21,200	19,736	1,464
Insurance	7,300	7,300	6,155	1,145
Occupancy expenses	27,500	25,000	23,320	1,680
Collection fees	3,200	3,200	3,630	(430)
Dues	5,190	5,190	4,820	370
Capital outlay	-	-	-	-
Other	16,700	21,500	19,820	1,680
	<u>518,829</u>	<u>476,322</u>	<u>446,052</u>	<u>30,270</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(71,636)	(33,964)	46,119	57,940
Fund balance, beginning	<u>455,726</u>	<u>455,726</u>	<u>455,726</u>	<u>-</u>
Fund balance, ending	<u>\$ 384,090</u>	<u>\$ 421,762</u>	<u>\$ 501,845</u>	<u>\$ 57,940</u>

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD
YEAR ENDED DECEMBER 31, 2019

Agency Head: Linda-Curtis Sparks

<u>Purpose</u>	<u>Amount</u>
Salary	\$62,724
Benefits-retirement	1,882
Reimbursements	3,771
Travel	780
Registration fees	200
Continuing professional education fees	2,800
Conference travel	<u>677</u>
Total	<u>\$72,834</u>

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

SABINE PARISH TOURIST AND RECREATION COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2019

CURRENT YEAR FINDINGS (December 31, 2019)

None

PRIOR YEAR FINDINGS (December 31, 2018)

None

Eugene W. Fremaux II

Certified Public Accountant

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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*

The Board of Directors
Sabine Parish Tourist and Recreation Commission
Many, 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 major fund of Sabine Parish Tourist and Recreation Commission, Many, 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, and have issued our report thereon dated May 18, 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 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. 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, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *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. Although the intended purpose of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read 'Eugene W. Fremaux II', with a long horizontal line extending to the right.

EUGENE W. FREMAUX II, CPA
May 18, 2020