

State of Louisiana  
Natchitoches Historic District Development Commission

Fiscal Year Ended June 30, 2018  
Agreed-Upon Procedures Report

**State of Louisiana  
Natchitoches Historic District Development Commission**

**Table of Contents**

	<b><u>Page(s)</u></b>
Independent Accountants' Report on the Application of Agreed-Upon Procedures	1-6
<b>Appendix A</b>	
Management's Response	8



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the District of  
Louisiana Natchitoches Historic  
District Development Commission

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the Louisiana Natchitoches Historic District Development Commission, a component unit of the State of Louisiana is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Louisiana Natchitoches Historic District Development Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Louisiana Natchitoches Historic District Development Commission's compliance with certain laws and regulations during the year ended June 30, 2018.

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 described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Prior Year Findings**

**District Activity**

We obtained and reviewed the District minutes for the fiscal year ended June 30, 2017. The District of commissioners holds monthly meetings. For meetings for the fiscal year there was a quorum to conduct business for each of the meetings reviewed. We reviewed the minutes to determine if there was a reference to the introduction of monthly budget to actual comparisons financials and/or a reference that monthly budget comparative financials were provided to commissioners. However, we were unable to access the

**OFFICES:**

2740 RUE DE JARDIN  
STE.100  
LAKE CHARLES  
LOUISIANA 70605  
(O) 337-478-7902  
(F) 337-478-3345

5100 WESTHEIMER  
SUITE 231  
HOUSTON  
TEXAS 77056  
(O) 713-588-4460  
(F) 713-966-6125

WWW.JWALKERCO.COM

**MEMBER OF:**

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

District's online information included in the DOA's Districts and commissions' database to determine if the District submitted District meeting notices and minutes for all meetings during the fiscal period.

The management should submit and update information to the DOA's District and commissions' database including District meeting notices and minutes for all meetings during the fiscal period ending June 30, 2017. Management did not concur with the finding.

We considered this prior year finding in our procedures for the current year. See *District Activity* below under current year finding.

### **Current Findings**

#### **District Activity**

We obtained and reviewed the District minutes for the fiscal year ended June 30, 2018. The District of commissioners holds monthly meetings. For meetings for the fiscal year there was a quorum to conduct business for each of the meetings reviewed. We reviewed the minutes to determine if there was a reference to the introduction of monthly budget to actual comparisons financials and/or a reference that monthly budget comparative financials were provided to commissioners. However, we were unable to access the District's online information included in the DOA's Districts and commissions' database to determine if the District submitted District meeting notices and minutes for all meetings during the fiscal period.

The management should submit and update information to the DOA's District and commissions' database including District meeting notices and minutes for all meetings during the fiscal period ending June 30, 2018. (*See management's response under Appendix A*)

#### **Contracts**

We obtained the District's policy relating to contracting for services. We reviewed the policy to determine if it included guidelines relating to (1) types of services requiring written contracts, (2) standard terms and conditions, (3) approval process, and (4) monitoring process. We obtained a list of all contracts in effect during the fiscal year ending June 30, 2018. We randomly selected five contract vendors that were paid during the fiscal period. We looked to determine if a formal/written contract existed that supported the services arrangement and the amount(s) paid to vendors. We compared each contract's detail as it related to the Louisiana Public Bid Law or Procurement Code. None of the contracts selected met the requirements under the Louisiana Public Bid Law. We inquired of and reviewed documentation to see whether the District solicited quotes as a best practice. None of the contracts considered were amended during the fiscal period ending June 30, 2018. We selected the largest payment from each of the contracts and obtain the supporting invoice(s) and compared the invoice(s) to the contract terms. District was unable to provide documentation that the five contract vendors selected obtained formal/written contract.

We obtained the District's policies relating to disbursements. We reviewed the policy to determine if the policy included (1) how purchases are initiated; (2) the preparation and



approval process of purchase requisitions and purchase orders; (3) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (4) documentation required to be maintained for all bids and price quotes. The District was unable to provide documentation that the District's policies contained specific reimbursements sufficient for required purchase policy.

Management should ensure that contracts are obtained for all providers of services. (*See management's response under Appendix A*)

### **Other Results of Our Procedures**

#### Written Policies and Procedures

We obtained the District's written policies and procedures relating to financial/business functions as addressed in this report. Any exceptions are noted under current findings.

#### Annual Fiscal Report (AFR)

We obtained the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. We performed analytical procedure comparing current and prior period amounts by line item, in those instances where there was a variance of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, and/or expenses. The Operating expense had a variance 20.83%. We inquired of management and were informed this was due to an increase in City park projects that were completed in the fiscal year. The Net Position- Beginning had a variance of 49.39%, the variance is due to a restatement in the prior year the District had made.

#### Bank Reconciliations

The District maintains one operating account that is used for general operations. One employee from the contracted CPA firm primarily participates in fee collection and disbursement activities. Bank reconciliations are performed by the contract accountant. Bank reconciliations are reviewed and approved by the Treasurer and a District member. We performed procedures to reconcile cash transactions to the District's general ledger and bank statements, and evaluated the segregation of duties between District staff. We confirmed that bank account reconciliations are performed monthly, and bank statements are reviewed timely by the Treasurer of the District. Based on the results of our procedures, no exceptions were identified.

#### Collections

We reviewed the District's policy relating to receipts. We reviewed the policy to determine if it contained procedures relating to the receiving, recording and preparation of deposits. We obtained existing documentation relative to insurance policies, policy manual and job descriptions to determine whether each person responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transactions, and reconciling the related bank account(s). Through inquiry with the contracted CPA, compensating controls have been implemented relating to cash activities. The contracted CPA personnel perform cash activities (collecting and



depositing) and performs bank reconciliation. The Treasurer reviews bank reconciliations monthly and the members of the District's Executive committee supervise and review the process.

We selected the highest (dollar) week of cash collections from the general ledger and using the District's collection documentation (e.g. deposit slips and bank statements) we traced the daily collections to the deposit date on the corresponding bank statement. We reviewed the date of collections and compared date to the date deposits were made to determine if deposits were made within one day of collections. We reviewed the receipt books provided and considered if the receipts were sequentially numbered. We verified if daily cash collections were completely supported by documentation. Based on the results of our procedures, no exceptions were identified.

The District does not have any revenue related to licenses fees. The District's primary revenue source is from State appropriations; therefore no procedures were performed relating to licenses fees.

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

We reviewed the District's written policy regarding credit cards (debit cards, fuel cards, and P-Cards). We reviewed the policy to determine if procedures included (1) how cards are to be controlled, (2) allowable business uses; (3) documentation requirements, (4) required approvers, and (5) monitoring card usage. We requested a list from the District of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards. The District does not have any cards, therefore no procedures were performed.

#### Travel Expenditures

We obtained the District's policy relating to travel and expense reimbursement. We reviewed the policy to determine if the policy included (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, (4) time-frame in which requests must be submitted and (5) required approvers. We inquired from management about travel and related expenses. There were no travel or travel related expenses for the fiscal year ending June 30, 2018, therefore no procedures were performed.

#### Payroll and Personnel

Natchitoches Historic District has no employees. Therefore, no procedures were performed.

#### Disbursements – Other General

We obtained the District's policy relating to disbursements. We reviewed the policy to determine if policy addressed procedures relating to processing, reviewing and approving disbursements. We obtained a listing (general ledger) of the District's disbursements from management. From the listing we randomly selected five disbursements. We obtained supporting documentation for each of the disbursements. We looked to see if an original itemized receipt or invoice existed that identified precisely what was purchased or acquired. We looked to see if the documentation



provided for the business/public purpose of the transaction. For each transaction selected we compared the District's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge or donation of funds, credit, property, or things of value. We looked to determine if documentation in writing existed indicating who reviewed and approved transaction and determined if said individual is someone other than the person who initiated the purchase. Based on the results of our procedures, no exceptions were identified.

### Ethics

We obtained the District's policy relating to ethics and to determine if policy included (1) the prohibitions as defined in LA R.S. 42:1111-1121, (2) actions to be taken if an ethics violation takes place, and (3) system to monitor possible ethics violations.

We selected five commissioners and obtained documentation to demonstrate that required annual ethics training was completed. The District has no employees therefore, no procedures were performed on employees.

We inquired of management whether any alleged ethics violations were reported to the District during the fiscal period. If applicable, reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy. Based on our procedures, no exception noted.

### Budget

We obtained a copy of the District's policy regarding budgetary procedures. We reviewed the policy to determine if it included steps relating to the preparation, adopting, monitoring and amending the budget. We obtained a copy of the legally adopted budget for the fiscal year ending June 30, 2018. We traced the budget adoption to the minute documentation of the District. We compared the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements. We inquired of management on line items that had a variance 10% or greater. We noted no variances of 10% or greater.

We inquired of management whether the District has updated its budget information into the DOA's Districts and commissions' database for the fiscal period ending June 30, 2018. See *District Activity* under Current Findings.

### Debt Service

The District issued no debt obligations for the fiscal year ending June 30, 2018. Also, they do not have any outstanding debt therefore; no procedures were performed relating to debt service.



Other

We inquired of the management of the District had there been any misappropriations of public funds or assets. Management indicated that they were unaware of any misappropriation of public funds or assets from the District.

The District did not enter into a contract for the audit of the District's financial statements for the fiscal year ending June 30, 2018.

Corrective Action

Management's response and corrective action for those exceptions noted in the section Current Findings can be found under Appendix A.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The report is intended solely for the use of management of Louisiana Natchitoches Historic District Development Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana

October 18, 2018



# **Appendix A**

Natchitoches Historic District Development Commission  
321 Bienville Street  
Natchitoches, La 71457

October 19, 2018

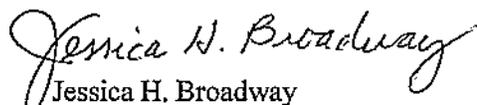
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

RE: NHDDC  
AUP – June 30, 2018

The following is our response:

Management of the Natchitoches Historic District Development Commission will ensure that policies and procedures are implemented to ensure compliance in areas indicated in the agreed upon procedures report.

Sincerely,

  
Jessica H. Broadway  
CPA