

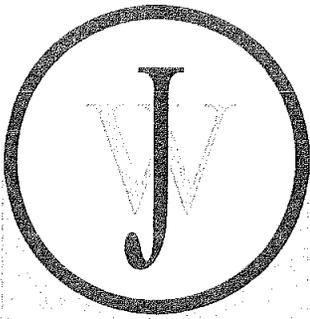
Natchitoches Historic District Development Commission

Fiscal Year ended June 30, 2017
Agreed-Upon Procedures Report

Natchitoches Historic District Development Commission

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J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board 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, 2017.

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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 Findings

The Board did not establish policies requiring adequate segregation of duties over cash. One employee from the contracted CPA firm prepared checks, recorded all transactions, and reconciled the bank statements without anyone reviewing for appropriateness. Per Board policy, monthly financial reports are presented at the Board meetings by the Secretary-Treasurer for Board approval. However, no evidence of review of bank reconciliations or payment support was maintained by the Board.

(Recommendation) The Board Secretary-Treasurer or other designated Board member should review and approve the monthly bank reconciliations. The designated Board member should further review payments on the bank statements for reasonableness and compare to supporting documentation. Evidence of Board member review should be documented and maintained as part of the Board's accounting records. Management concurred with the finding and stated that it assigned the Treasurer to compare the monthly bank reconciliation to payments, deposits, relevant supporting documentation and transaction posted. See *Bank Reconciliations* under Other Results of Our Procedures for current status.

Current Findings

Board Activity

We obtained and reviewed the Board minutes for the fiscal year ended June 30, 2017. The Board 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 Board's online information included in the DOA's boards and commissions' database to determine if the Board submitted board meeting notices and minutes for all meetings during the fiscal period.

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

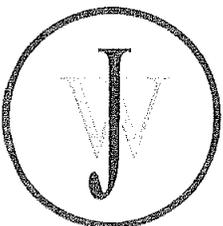
Other Results of Our Procedures

Written Policies and Procedures

We obtained the Board'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. We noticed a 15% increase in Program Services cost. We inquired of management and were informed this was due to an increase in City park projects that was completed in the fiscal year.



Bank Reconciliations

The Board 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 Board member. We performed procedures to reconcile cash transactions to the Board's general ledger and bank statements, and evaluated the segregation of duties between Board staff. We confirmed that bank account reconciliations are performed monthly, and bank statements are reviewed timely by the Treasurer of the Board. Based on the results of our procedures, no exceptions were identified.

Collections

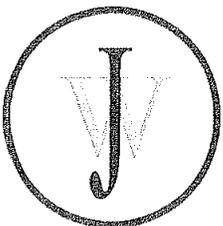
We reviewed the Board's policy relating to receipts. We reviewed the policy to determine if it contained procedures relating to the receiving, recording and preparation of deposits. We obtained existing documentation relative to insurance policies, policy manual and job descriptions to determine whether 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 Board's Executive supervise and review the process.

We selected the highest (dollar) week of cash collections from the general ledger and using the Board'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 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 numbers. We verified if daily cash collections were completely supported by documentation. Based on the results of our procedures, no exceptions were identified.

The Board does not have any revenue related to licenses fees. The Board'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 Board'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 Board 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 Board does not have any cards, therefore no procedure were performed.



Travel Expenditures

We obtained the Board's policy relating to travel and expense reimbursement. We reviewed policy to determine if 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 expense for the fiscal year ending June 30, 2017, therefore no procedures were performed.

Contracts

We obtained the Board'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, 2017. 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 Board solicited quotes as a best practice. None of the contracts considered were amended during the fiscal period ending June 30, 2017. 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. We reviewed documentation provided, including Board minutes to determine if the Board of commissioners had approved the execution of the contracts. Based on the results of our procedures, no exceptions were identified.

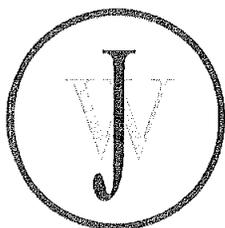
We obtained the Board's policies relating to disbursements. We reviewed the policy to determine if the policy included (1) how purchases are initiated; (2) the preparation and approval process of purchase requisitions and purchase orders; (3) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (4) documentation required to be maintained for all bids and price quotes. Based on the results of our procedures, no exceptions were identified.

Payroll and Personnel

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

Disbursements – Other General

We obtained the Board'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 Board'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 Board'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 Board'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 Board has no employees therefore; no procedures were performed on employees. We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period ending June 30, 2017. Based on the results of our procedures, no exceptions were identified.

Budget

We obtained a copy of the Board'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, 2017. We traced the budget adoption to the minute documentation of the Board. We compared the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements. We noted no variances of 10% or greater. Based on the results of our procedure, no exceptions were identified. We inquired of management whether the Board has updated its budget information into the DOA's boards and commissions' database for the fiscal period ending June 30, 2017. See *Board Activity* under Current Findings.

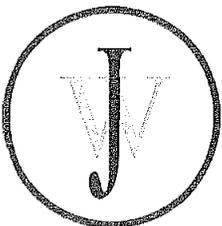
Debt Service

The Board issued no debt obligations for the fiscal year ending June 30, 2017. 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 Board 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 Board.

The Board did not entered into a contract for the audit of the Board's financial statements for the fiscal year ending June 30, 2017.



Corrective Action

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

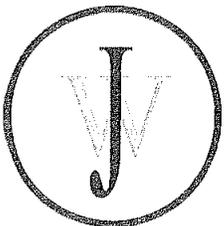
We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have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

September 26, 2017



Appendix A

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

November 10, 2017

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

RE: NHDDC
AUP – June 30, 2017

The following is our response:

The Natchitoches Historic District Development Commission is not aware of a filing requirement with the Department of Administration regarding the posting of meeting minutes/agendas.

Sincerely,


Jessica H. Broadway
CPA