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**ASCENSION PARISH TOURISM COMMISSION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**ASCENSION PARISH TOURISM COMMISSION**

**FINANCIAL REPORT**

**DECEMBER 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Ascension Parish Tourism Commission  
Sorrento, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of Ascension Parish Tourism Commission (the Commission), a component unit of the Ascension Parish Council, as of and for the year then ended, December 31, 2018, and the related notes to the financial statement, 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.

### ***Auditors' 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 statements contained in *Governmental 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 error or fraud. 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 Ascension Parish Tourism Commission, as of December 31, 2018, and the respective changes in financial position, thereof 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 schedules on pages 3 through 8 and page 22, respectively, 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. We have applied certain limited procedures to the required supplementary information 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

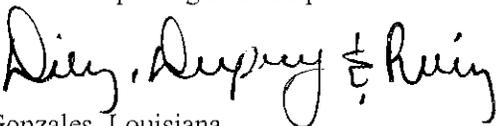
***Other Information***

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 payments to agency head or chief executive officer is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer 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 agency head or chief executive officer are 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 our report dated June 12, 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 the effectiveness of the Commission's 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.

  
Gonzales, Louisiana  
June 12, 2019

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

This section of Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the year ended December 31, 2018.

**FINANCIAL HIGHLIGHTS**

- The Commission's total net position equaled \$813,571 as of December 31, 2018. Net position decreased approximately 8% from prior year's operations.
- During the year, the Commission's governmental activities expenses were \$66,959 more than the \$666,116 generated in operating grants and contributions, taxes, and other revenue
- The General Fund reported a decrease in fund balance of \$57,623 at year end.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Commission:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Commission's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Commission government, reporting the Commission's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Commission's financial statements, including the portion of the Commission's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

Figure A-1  
Major Features of Commission's Government Wide and Fund Financial Statements

	<b>Government-wide Statements</b>	<b>Fund Statements Governmental Fund</b>
Scope	Entire Government (except fiduciary funds)	The activities of the Commission that are not proprietary or fiduciary
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

**ASCENSION PARISH TOURISM COMMISSION**  
Sorrento, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**Government-wide Statements**

The government-wide statements report information about the Commission using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Commission's net position and how it has changed. Net position - the difference between the Commission's assets and liabilities is one way to measure the Commission's financial health, or position.

- Over time, increases or decreases in the Commission's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Commission have one category:

- Governmental activities-most of the Commission's basic services are included here, such as the general administration. General revenues from intergovernmental taxes make up these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Commission's most significant funds not the Commission. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for purposes.

- Some funds are required by State law and by bond covenants. The Commission has one kind of fund:
- Governmental fund - The Commission's basic operations are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statement, or on the subsequent page, that explains the relationship (or differences) between them.

**ASCENSION PARISH TOURISM COMMISSION**  
Sorrento, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**FINANCIAL ANALYSIS OF THE COMMISSION AS A WHOLE**

**Net position.** The Commission's net position was \$813,571 at the end of the fiscal year. (See Table A-2.)

	<b>Table A-2</b>	
	<b>Net Position</b>	
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 785,816	\$ 825,348
Capital assets, net	46,096	55,432
<b>Total assets</b>	<b>831,912</b>	<b>880,780</b>
Current liabilities	18,341	250
<b>Total liabilities</b>	<b>18,341</b>	<b>250</b>
<b>Net position</b>		
Net investment in capital assets	46,096	55,432
Unrestricted	767,475	825,098
<b>Total net position</b>	<b>\$ 813,571</b>	<b>\$ 880,530</b>

Net position of the Commission's governmental activities was \$813,571 at year end, a decrease of approximately 8% from prior year end.

**Changes in net position.** The Commission's total general revenues were \$666,116 at year end (See Table A-3.) 96% of the Commission's revenue comes from occupancy taxes. The remaining is grant, interest and miscellaneous revenue.

The total cost of all general programs and services were \$733,075 at year end.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**Governmental Activities**

Revenues for the Commission's governmental activities were \$66,959 less than total expenses for year end. The cost of all governmental programs this year was \$733,075.

**Table A-3**  
**Changes in Net Position**  
**Governmental Activities**

	<b>2018</b>	<b>2017</b>	
<b>Revenues</b>			
Grants and contributions	\$ 7,779	\$ -	
General revenues			
Occupancy tax	639,543	581,983	
Interest	1,583	1,231	
Miscellaneous	17,211	25,995	
<b>Total revenues</b>	<b>666,116</b>	<b>609,209</b>	
<b>Expenses</b>			
General government	733,075	667,855	
<b>Total expenses</b>	<b>733,075</b>	<b>667,855</b>	
<b>Decrease in net position</b>	<b>\$ (66,959)</b>	<b>\$ (58,646)</b>	

**FINANCIAL ANALYSIS OF THE COMMISSION'S FUND**

As the Commission completed the year, its governmental fund reported a fund balance of \$767,475.

**ASCENSION PARISH TOURISM COMMISSION**  
Sorrento, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**General Fund Budgetary Highlights**

Over the course of the year, there were no amendments made to the general fund budget.

**CAPITAL ASSETS**

At the end of 2018, the Commission had invested approximately \$46,096 in capital assets, which includes equipment, furniture and fixtures, and vehicles. (See Table A-3)

**Table A-3**

**Capital Assets**

	<b><u>Governmental Activities</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Vehicles, improvements, Equipment & fixtures	\$ 115,145	\$ 114,210
Less: Accumulated depreciation	(69,049)	(58,778)
<b>Total</b>	<b><u>\$ 46,096</u></b>	<b><u>\$ 55,432</u></b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Commission is dependent on the 2% Occupancy Tax for 96% of its revenues. This revenue is generated from hotel and motel taxes collected in the Parish. The Parish is expected to have stable growth for next year. Therefore, the Commission's revenues are expected to be consistent with the current years.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Tracy Browning; 6967 Highway 22, Sorrento, LA 70778.

**ASCENSION PARISH TOURISM COMMISSION**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

Cash	\$ 683,877
Accounts receivable	101,939
Capital assets, net of accumulated depreciation	<u>46,096</u>
TOTAL ASSETS	<u>831,912</u>

**LIABILITIES**

Accounts payable	12,747
Accrued payroll and benefits	<u>5,594</u>
TOTAL LIABILITIES	<u>18,341</u>

**NET POSITION**

Net investment in capital assets	46,096
Unrestricted	<u>767,475</u>
TOTAL NET POSITION	<u>\$ 813,571</u>

The accompanying notes are an integral part of this financial statement.

**ASCENSION PARISH TOURISM COMMISSION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Expenses	Operating grants and contributions	Net (Expense) Revenue and Changes in Net Position
<b><u>ACTIVITIES</u></b>			
<b>Governmental:</b>			
General Government	\$ 733,075	\$ 7,779	\$ (725,296)
Total governmental activities	\$ 733,075	\$ 7,779	(725,296)
General Revenues:			
Intergovernmental:			
Occupancy tax			639,543
Other:			
Interest			1,583
Other income			17,211
Total general revenues			658,337
			Change in net position (66,959)
			Net position - January 1, 2018 880,530
			Net position - December 31, 2018 \$ 813,571

The accompanying notes are an integral part of this financial statement.

**ASCENSION PARISH TOURISM COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**DECEMBER 31, 2018**

**ASSETS**

Cash	\$ 683,877
Accounts receivable	101,939
<b>Total assets</b>	<b><u><u>\$ 785,816</u></u></b>

**LIABILITIES**

Accounts payable	\$ 12,747
Accrued payroll and benefits	5,594
<b>Total liabilities</b>	<b><u><u>18,341</u></u></b>

**FUND BALANCE**

Committed for Emergency funds	250,000
Committed for Onsite Projects	120,000
Committed for Offsite Projects	20,000
Committed for Capital Outlay	130,000
Unassigned	247,475
<b>Total fund balance</b>	<b><u><u>767,475</u></u></b>
 <b>Total liabilities and fund balance</b>	 <b><u><u>\$ 785,816</u></u></b>

The accompanying notes are an integral part of this financial statement.

**ASCENSION PARISH TOURISM COMMISSION**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

Total fund balance - Governmental Fund		\$ 767,475
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Amounts reported for governmental activities in the State of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund balance sheet.

Cost of capital assets as December 31, 2018	115,145		
Less: accumulated depreciation as of December 31, 2018	<u>(69,049)</u>		<u>46,096</u>

Total net position at December 31, 2018 - Governmental Activities		<u><u>\$ 813,571</u></u>
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The accompanying notes are an integral part of this financial statement.

**ASCENSION PARISH TOURISM COMMISSION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES**  
**YEAR ENDED DECEMBER 31, 2018**

**REVENUE**

Intergovernmental:		
Occupancy tax	\$	639,543
Grant revenues		7,779
Other:		
Interest		1,583
Other Income		17,211
Total revenues		<u>666,116</u>

**EXPENDITURES**

General government		
Advertising & marketing		402,284
Personnel		170,164
Other		150,221
Capital outlay		1,070
Total expenditures		<u>723,739</u>
Excess of expenditures over revenues		(57,623)
<b>Fund Balance, Beginning of Year</b>		<u>825,098</u>
<b>Fund Balance, End of Year</b>	<b>\$</b>	<b><u>767,475</u></b>

The accompanying notes are an integral part of this financial statement.

**ASCENSION PARISH TOURISM COMMISSION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE**  
**GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2018**

Excess of expenditures over revenues-Governmental fund	\$	(57,623)
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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 report as depreciation expense. This is the amount by which capital expenditures (which are capitalized as capital assets) in the current period exceeded depreciation expense.

Capital assets capitalized		935
Depreciation expense		(10,271)
		(9,336)
Change in net position of governmental activities	\$	(66,959)

The accompanying notes are an integral part of this financial statement.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRESENTATIONS**

Organization and Purpose

The Ascension Parish Tourism Commission (the Commission) was organized to encourage the Parish and Civic Community to create an atmosphere conducive to tourism, the Commission should be apprised of those activities of tourism interest, to aid and promote these activities, to represent the Parish business and civic community by soliciting and servicing conventions for the promotion of visitor activity within Ascension Parish, and to develop and carry out programs designed to promote tourism in Ascension Parish. The Commission is funded by a 2% Occupancy tax collected by the Ascension Parish Sales and Use Tax Authority.

Basis of Presentation, Basis of Accounting

The statement of net position and the statement of activities display information about the Commission. These statements include the financial activities of the overall government. These statements describe the *governmental activities* of the Commission. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Commission and for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the fund have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs 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.

*Fund Financial Statements:* The fund financial statements provide information about the Commission's fund. Separate statements for each fund category - *governmental* - are presented. The emphasis of fund financial statements is on the major governmental fund.

The Commission reports the following major governmental fund:

Governmental Fund Type:

Governmental funds are those through which most governmental functions of the Commission are financed. The acquisition, use, and balances of the Commission's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Commission's 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, except those required to be accounted for in other funds.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRESENTATIONS** (continued)

Measurement Focus, Basis of Accounting

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include occupancy taxes, grants, and contributions. Revenue from grants, and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers all revenues reported in the governmental fund to be available if the revenues are collected within sixty days after year-end. Miscellaneous income and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred and claims and judgments which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Ascension Parish Council is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Codification Section 2100, established criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the council to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the organization does not appoint a voting majority but are fiscally dependent on the council.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRESENTATIONS** (continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the council appoints all members to the Commission's Board of Directors, the Commission was determined to be a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Budgetary Practices**

The Commission follows these procedures in establishing the budgetary data reflected in these financial statements:

- 1) The Commission's management prepares a proposed budget message and budget prior to the beginning of each fiscal year.
- 2) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3) A special meeting is held to conduct a public hearing to review and discuss on the proposed budget.
- 4) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- 5) Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Commission.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRESENTATIONS** (continued)

Cash and cash equivalents

Cash and cash equivalents include demand deposits, interest-bearing demand deposit accounts, and certificates of deposit.

The Commission considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents.

Under state law, the Commission may deposit funds in obligations of the U.S. Treasury and U.S. agencies, demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana and other investments authorized by Louisiana Law.

Capital Assets

Capital assets, which include vehicles, improvements, equipment and fixtures, are reported in the governmental activity's 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 market value at the date of donation. The Commission maintains a threshold of \$500 or more for capitalizing capital assets.

All capital assets are depreciated using the straight-line method over the following useful lives:

Vehicles	5 years
Improvements	15 years
Equipment & fixtures	3-7 years

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 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.

Equity Classifications

*Government-wide Financial Statements*

For the government-wide statement of net position, equity is divided into three components:

- Net investments in capital assets-consist of historical costs of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position-consists of assets that are restricted by the Commission's grantors (both federal and state).
- Unrestricted-all other net position is reported in this category.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRESENTATIONS** (continued)

*Fund Equity of Fund Financial Statements*

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

**Non-spendable-** represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

**Restricted-** represents balances where constraints have been established by parties outside the Commission or imposed by law through constitutional provisions or enabling legislation.

**Committed-** represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Commission's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the type of action it employed to previously commit those amounts. The Board of Commissioners are the highest level of decision-making authority and utilizes Commission Ordinances as a formal procedure to commit fund balance. In addition, the passage of the budget at the annual financial board meeting is considered the commitment of funds for the line items included in the fiscal budget.

**Assigned-** represents balances that are constrained by the Commission's intent to be used for specific purposes, but are not restricted or committed.

**Unassigned-** represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Commission reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Commission reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Revenue

Approximately 96% of the Commission's funding is provided from a 2% occupancy tax within the Parish.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. CASH AND CERTIFICATES OF DEPOSITS**

At December 31, 2018, the carrying amounts of the Commission's deposits were as follows:

Cash	\$152,637
Demand deposit account	<u>531,240</u>
Total deposits	<u>\$683,877</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

**3. CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of a financial institution failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. At December 31, 2018, \$152,637 of the Commission's cash balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$152,637</u>
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**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

Governmental activities:	<b><u>Vehicles, Improvements, Equipment &amp; Fixtures</u></b>	
Cost of Capital Assets, December 31, 2017	\$	114,210
Additions		935
Deletions		-
Cost of Capital Assets, December 31, 2018		<u>115,145</u>
Accumulated depreciation, December 31, 2017		58,778
Additions		10,271
Deletions		-
Accumulated depreciation, December 31, 2018		<u>69,049</u>
Capital assets, net of accumulated depreciation at December 30, 2018	\$	<u>46,096</u>

For the year ended December 31, 2018, depreciation expense was \$10,271.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. RETIREMENT PLAN**

The Commission adopted an Simple IRA retirement plan effective January 1, 2014. The plan covers all full-time employees. The Commission matches up to 3 percent of employee contributions. The Commission's contributions for the years ending December 31, 2018, 2017, and 2016 were \$4,183, \$3,578, and \$3,449, respectively.

**6. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was June 12, 2019 and determined that there were no significant subsequent events that required disclosure in the financial statements.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**ASCENSION PARISH TOURISM COMMISSION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>REVENUES</u></b>			
Occupancy tax	\$ 552,000	\$ 552,000	\$ 639,543
Grant revenues	-	-	7,779
Other:			
Interest	1,000	1,000	1,583
Other Income	24,200	24,200	17,211
Total revenues	<u>577,200</u>	<u>577,200</u>	<u>666,116</u>
<b><u>EXPENDITURES</u></b>			
General government			
Advertising & marketing	440,950	440,950	402,284
Personnel	174,800	174,800	170,164
Other	171,375	171,375	150,221
Capital outlay	392,000	392,000	1,070
Total expenditures	<u>1,179,125</u>	<u>1,179,125</u>	<u>723,739</u>
Excess of expenditures over revenues	(601,925)	(601,925)	(57,623)
<b>Fund Balance, Beginning of Year</b>	<u>613,948</u>	<u>613,948</u>	<u>825,098</u>
<b>Fund Balance, End of Year</b>	<u>\$ 12,023</u>	<u>\$ 12,023</u>	<u>\$ 767,475</u>

**ASCENSION PARISH TOURISM COMMISSION**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**DECEMBER 31, 2018**

Agency Head Name/Title: Tracy Browning, Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 58,766
Benefits - insurance	6,166
Benefits - retirement	1,763
Per diem	1,816
Reimbursements	65
Travel	5,191
Continuing professional education fees	6,203
	\$ 79,970

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2018**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of Ascension Parish Tourism Commission were prepared in accordance with GAAP.
2. No significant deficiencies related to the audit of the financial statements are reported in the 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*.
3. One instances of noncompliance material to the financial statements of the Ascension Parish Tourism Commission which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS – COMPLIANCE**

**2018-001 Cash Management Laws**

*Condition:* The Commission had \$152,637 of bank cash unsecured or uncollateralized.

*Criteria:* Louisiana Revised Statute 39:1225 requires the amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

*Cause:* As of December 31, 2018, the Commission did not timely notify its fiscal agent bank of the exposed deposits and therefore, the appropriate amount of cash and cash equivalent was not secured or pledged by the fiscal agent bank in the Commission's name.

*Effect:* The Commission's cash and cash equivalent was uninsured by \$152,637 and exposed to custodial credit risk.

*Recommendation:* Management should review the cash and cash equivalents of the Commission periodically and determine that adequate steps are taken to secure or collateralize cash.

*Management's corrective action plan:* Management of the Commission concurs that cash and cash equivalent was inadequately secured or collateralized as of December 31, 2018. However, the Commission corrected this matter immediately upon discovery. The Commission has since taken necessary actions to ensure that all cash and cash equivalents are adequately secured and/or collateralized for future periods.

**ASCENSION PARISH TOURISM COMMISSION**  
**Sorrento, Louisiana**

**SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED DECEMBER 31, 2018**

**A. FINDINGS - FINANCIAL STATEMENTS**

NONE

**B. FINDINGS - NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS  
COMPLIANCE FINDINGS**

NONE



**INDEPENDENT AUDITORS' 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  
Ascension Parish Tourism Commission  
Sorrento, 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 Ascension Parish Tourism Commission, a component unit of the Ascension Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Ascension Parish Tourism Commission's basic financial statements and have issued our report thereon dated June 12, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Ascension Parish Tourism 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 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**

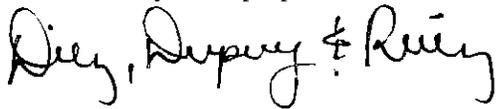
As part of obtaining reasonable assurance about whether Ascension Parish Tourism Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 test disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2018-001.

### **Ascension Parish Tourism Commission's Response to Finding**

Ascension Parish Tourism Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and response. Ascension Parish Tourism Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



Gonzales, Louisiana  
June 12, 2019

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**ASCENSION PARISH TOURISM COMMISSION**

**STATEWIDE AGREED UPON PROCEDURES**

**DECEMBER 31, 2018**

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

To the Board of Commissioners, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ascension Parish Tourist Commission (the 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. The Commission's management 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 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:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

*Written policies and procedures were obtained and address the functions noted above.*

b) **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.

*Written policies and procedures were obtained and address the functions noted above except the policy did not include procedures of how vendors are added to the vendor list. (exception)*

*Managements response: We will include procedures in the purchasing policy of how vendors are added to the vendor list.*

c) **Disbursements**, including processing, reviewing, and approving

*Written policies and procedures were obtained and address the functions noted above.*

d) **Receipts/Collections**, 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).

*Written policies and procedures were obtained and address the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Written policies and procedures were obtained and address the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*Written policies and procedures were obtained and address the functions noted above.*

- g) **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)

*Written policies and procedures were obtained and address the functions noted above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Written policies and procedures were obtained and address the functions noted above.*

- i) **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.

*Written policies and procedures were obtained and address the functions noted above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable.*

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe 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.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly with a quorum.*

- b) For those entities reporting on the governmental accounting model, observe 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.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons for the major fund.*

- c) For governmental entities, obtain the prior year audit report and observe 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, observe 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.

*Obtained the prior year audit report and observed the unrestricted fund balance in the general fund noting no negative ending unrestricted fund balance in prior year audit report.*

### **Bank Reconciliations**

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- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

*Obtained listing of client bank accounts from management and management's representation that listing is complete.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*Obtained bank reconciliations for the month selected noting that reconciliations have been prepared within 2 months of the related statement closing date.*

- b) 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

*The bank reconciliations included evidence that a member of management, who does not handle cash, post ledgers, or issue checks, has reviewed each bank reconciliation.*

- c) 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.

*Obtained bank statements and reconciliations for the month selected noting there were not any outstanding items for more than 12 months from the statement closing date.*

### ***Collections***

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Obtained listing of deposit sites and management's representation that listing is complete.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*Obtained listing of collection locations and management's representation that listing is complete.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*Employees responsible for cash collections do not share cash drawers/registers.*

- b) 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.

*Employee responsible for collecting cash is also responsible for preparing/making bank deposit.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

- c) 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.

*Employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.*

- d) 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.

*Employee responsible for collecting cash is not responsible for reconciling cash collections to the general ledger by revenue source.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*Sequentially numbered receipts were not used. Collection documentation is stamped with a date received stamp upon collection. No exceptions noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*Collection documentation and deposit slip supported the cash collections without exception.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*Deposit slips agree to the actual deposit per the bank statement without exception.*

- d) Observe 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).

*Collection receipts were deposited within one business day at the collection location.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*Deposits per bank statement agree to the general ledger without exception.*

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain 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 observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b) At least two employees are involved in processing and approving payments to vendors.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- c) 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- d) 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

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11. Obtain 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. Obtain management's representation that the listing is complete.

*Obtained listing of credit cards/debit cards/fuel cards and management's representation that listing is complete.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*On the months observed, supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder without exception.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No finance charges and/or late fees were assessed on the month tested.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Each transaction was supported by an original itemized receipt, documentation of business/public purpose was provided, and if applicable, documentation of individuals participating in meals was provided without exception.*

### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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14. Obtain 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. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Obtained listing of all travel and related expense reimbursements, by person, and management's representation that listing is complete.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*The Commission utilizes a standard per diem rate per day for meals and incidental expenses and mileage rate for travel reimbursements that is applicable with GSA rates.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Itemized receipts were provided for all expense tested that identified what was purchased or reimbursed without exception.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Each expense was supported by documentation of business purpose without exception.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Each expense observed was supported by documentation of reviewal and approval in writing by someone other than the traveler without exception.*

## **Contracts**

---

15. Obtain 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

### ***Payroll and Personnel***

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 19. Obtain 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

### ***Ethics***

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- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b. Observe 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

## ***Debt Service***

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

*Not applicable. The Commission does not have any debt.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable. The Commission does not have any debt.*

## ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Commission of the parish in which the entity is domiciled.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

24. Observe that 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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.



Gonzales, Louisiana  
June 12, 2019