

DESOTO PARISH TOURISM COMMISSION

Mansfield, Louisiana

FINANCIAL STATEMENTS

December 31, 2015

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

DESOTO PARISH TOURISM COMMISSION

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of the governmental activities and major fund of DeSoto Parish Tourism Commission, a component unit of the DeSoto Parish Police Jury, as of December 31, 2015 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management of DeSoto Parish Police Jury. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 11 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. Such information was not audited, reviewed, or compiled by me, and I do not express an opinion or provide any assurance on it.

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

Other Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 12 is

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presented for purposes of additional analysis and is not a required part of the basic financial statements. I have reviewed the information and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

Other Matters

DeSoto Parish Tourism Commission adopted the provisions of Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended December 31, 2015.



Certified Public Accountant
April 25, 2018

DESOTO PARISH TOURISM COMMISSION

Statement of Net Position

December 31, 2015

ASSETS	
Cash	\$ 432,876
Due from Other Governments	11,708
Capital assets, net of depreciation	<u>-</u>
Total Assets	<u>444,584</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>-</u>
LIABILITIES	
Liabilities	
Payroll taxes payable	<u>560</u>
Total Liabilities	<u>560</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>-</u>
NET POSITION	
Invested in capital assets, net of debt	-
Unassigned	<u>444,024</u>
Total Net Position	<u><u>\$ 444,024</u></u>

See accountant's review report and notes to financial statements.

DESOTO PARISH TOURISM COMMISSION
Statement of Activities
For the Year Ended December 31, 2015

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Tourism	\$ 175,118	\$ -	\$ -	\$ -	\$ (175,118)
Depreciation	-	-	-	-	-
Total Governmental Activities	\$ 175,118	\$ -	\$ -	\$ -	(175,118)
 GENERAL REVENUES					
Occupancy taxes					201,726
Interest income					560
Total General Revenues					202,286
 Change in Net Position					27,168
Net Position, Beginning of Year, restated (Note 5)					416,856
Net Position, End of Year					\$ 444,024

See accountant's review report and notes to financial statements.

DESOTO PARISH TOURISM COMMISSION

Balance Sheet
Governmental Fund
December 31, 2015

ASSETS		
Cash		\$ 432,876
Due from Other Governments		<u>11,708</u>
Total Assets		<u>\$ 444,584</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Payroll taxes payable		<u>560</u>
Total Liabilities		<u>560</u>
Fund Balances		
Committed		-
Unassigned		<u>444,024</u>
Total Net Assets		<u>444,024</u>
Total Liabilities and Fund Balances		<u>\$ 444,584</u>

See accountant's review report and notes to financial statements.

DESOTO PARISH TOURISM COMMISSION

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

For the Year Ended December 31, 2015

Total Fund Balance for Governmental Funds \$ 444,024

Total Net Position for governmental activities in the
statement of net assets is different because:

Capital assets used in governmental activities
are not financial resources and therefore are
not reported in the funds.

-

Total Net Position of Governmental Activities \$ 444,024

DESOTO PARISH TOURISM COMMISSION

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

For the Year Ended December 31, 2015

REVENUES	
Occupancy Taxes	\$ 201,726
Interest Income	<u>560</u>
Total Revenues	<u>202,286</u>
EXPENDITURES	
Tourism	<u>175,118</u>
Total Expenditures	<u>175,118</u>
Net Change in Fund Balances	27,168
Fund Balances, Beginning of year, restated (Note 5)	<u>416,856</u>
Fund Balances, End of year	<u><u>\$ 444,024</u></u>

See accountant's review report and notes to financial statements.

DESOTO PARISH TOURISM COMMISSION

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

For the Year Ended December 31, 2015

Net changes in Fund Balances - Total Government Funds \$ 27,168

The change in Net Assets reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlay as
expenditures. However, in the statement of
activities the cost of those assets is allocated
over their estimated useful lives and reported as
depreciation expense. This is the amount by
which capital outlay (\$-0-) exceeds
depreciation (\$-0-) in the current period.

-

Changes in Net Position of Governmental Activities

\$ 27,168

See accountant's review report and notes to financial statements.

DESOTO PARISH TOURISM COMMISSION

Notes to Financial Statements

December 31, 2015

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

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

1. Summary of Significant Accounting Policies:

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

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

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

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

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

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis for accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Hotel/Motel receipts collected by the DeSoto Parish Police Jury but not remitted to the Commission are treated as susceptible to accrual.

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

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

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

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

All budgetary appropriations lapse at the end of each year.

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

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

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

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

2. Cash:

At December 31, 2015, the Commission had cash deposits in financial institutions totaling \$454,065 while the book's balances were \$432,876. The difference from the book balance is due to outstanding checks at year end. Balances of \$250,000 were fully insured by FDIC insurance. Balances of \$204,065 were collateralized by securities held in the Commission's name. (Category 3).

3. Fixed Assets:

Fixed assets consists of the following:

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

4. Per Diem Paid to Commissioners:

No per diem was paid to commissioners for the period January 1, 2015 through December 31, 2015.

5. Prior Period Adjustment:

Net position and fund balance at January 1, 2015 was increased by \$9,279 to adjust for old outstanding checks from a prior year that were voided on January 1, 2015.

6. Other Matters:

The Commission has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This ; GASB Statement established new financial reporting requirements for state and local governments throughout the United States. It requires new information and restructure much of the information that governments have presented in the past.

DESOTO PARISH TOURIST COMMISSION

Budgetary Comparison Schedule - Governmental Fund - General Fund

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>GAAP</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
REVENUES				
Occupancy Taxes	\$ 180,950	\$ 180,950	\$ 201,726	\$ 20,776
Interest	300	300	560	260
Total Revenues	<u>181,250</u>	<u>181,250</u>	<u>202,286</u>	<u>21,036</u>
EXPENDITURES				
Current:				
Tourism	<u>181,250</u>	<u>181,250</u>	<u>175,118</u>	<u>6,132</u>
Total Expenditures	<u>181,250</u>	<u>181,250</u>	<u>175,118</u>	<u>6,132</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>27,168</u>	<u>27,168</u>
FUND BALANCES				
Beginning of year	<u>416,856</u>	<u>416,856</u>	<u>416,856</u>	<u>-</u>
End of year	<u>\$ 416,856</u>	<u>\$ 416,856</u>	<u>\$ 444,024</u>	<u>\$ 27,168</u>

DESOTO PARISH TOURIST COMMISSION
Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2015

Agency Head: Edna Thornton, Executive Director

Salary	<u>\$ 9,998</u>
Payroll Taxes	<u>\$ 761</u>
Reimbursements	<u>\$ 160</u>



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Report
on Applying Agreed-Upon Procedures

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

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of DeSoto Parish Tourism Commission (the Commission) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the System's compliance with certain laws and regulations during the year ended December 31, 2015 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2251.

The System did not make expenditures in excess of \$30,000 for material and supplies or for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on November 11, 2014. The Commission did not amend the budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts. Actual expenditures did not exceed budgeted amounts.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for six selected disbursements and found that payments were for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

The Board of Commissioners approves the Commission's budget. The Executive Director and a Commissioner approved cash disbursements in accordance with the budget.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12.

The Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meeting is held. Management has informed me that these documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Commission for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

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

This report is intended solely for the use of management of DeSoto Parish Tourism Commission 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 Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Marsha D. Milhean

Certified Public Accountant
April 25, 2018

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

September 24, 2017

Marsha O. Millican , APAC
810 Wilkinson
Shreveport, Louisiana 71104

(Auditors)

In connection with your review of our financial statements as of December 31, 2015, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 24, 2017.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.
Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
Yes [X] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.
Yes [X] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.
Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [X]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Edme Ray Shand

Executive Director

DESOTO PARISH TOURISM COMMISSION

Corrective Action Taken on Prior Year Findings

For the Year Ended December 31, 2015

Finding 2014-1: The segregation of duties is inadequate to provide effective internal control.

Status: Unresolved.

Finding 2014-2: The Commission did not file its financial statements with the Legislative Auditor within the time frame required by state law.

Status: Unresolved.

DESOTO PARISH TOURISM COMMISSION

Schedule of Findings

For the Year Ended December 31, 2015

Finding # 2015-1:

Criteria: Effective internal control requires segregation of duties.

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

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

Effect: Unknown

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

Management's Response and Corrective Action Plan:

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

Finding # 2015-2:

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

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

Cause:

The Commission implemented the provisions of GASB #34 for the year ended December 31, 2015. It was anticipated that the Commission was required to have a compilation of its financial statements. During compilation procedures, it was noted that the Commission was required to have a review and an attestation instead of a compilation. More time was required to implement GASB #34 and perform the review and attestation.

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

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

DESOTO PARISH TOURISM COMMISSION

Schedule of Findings (Continued)

For the Year Ended December 31, 2015

Finding 2015-2 (Continued)

Management's Response and Corrective Action Plan:

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