

**DESOTO PARISH TOURISM COMMISSION**  
Mansfield, Louisiana

**FINANCIAL REPORT**  
December 31, 2020

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**Mansfield, Louisiana**  
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### **Independent Accountant's Review Report**

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

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Tourism Commission (Tourism Commission), a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Tourism 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 the management of the Tourism Commission. 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, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

The Tourism Commission's management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and the standards applicable to review engagements contained in *Government Auditing Standards* issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Tourism Commission, for the year ended December 31, 2020, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

#### **Other Matter Paragraphs**

##### *Supplementary Information*

The schedule of compensation, benefits, and other payments to the agency head or chief executive officer is required by Louisiana state statute. The information is the representation of management. We have reviewed the information and, based on our review, we are 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. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information be presented to supplement the basic financial statements:

Management's Discussion and Analysis  
Budgetary Comparison Schedule

Such information, although not a required 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. The information is the responsibility of management. We have reviewed the information and, based on our review, we are 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. We have not audited the information and, accordingly, do not express an opinion on such information.

**Report on Other Legal and Regulatory Requirements**

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 17, 2021, on the results of our agreed-upon procedures. Also presented as required is the Louisiana Attestation Questionnaire.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
June 17, 2021

REQUIRED SUPPLEMENTAL INFORMATION (PART I)



**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**December 31, 2020**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the DeSoto Parish Tourism Commission (Tourism Commission), we offer the readers of the Tourism Commission's financial statements this narrative overview and analysis of the financial activities of DeSoto Parish Tourism Commission as of and for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the Tourism Commission's basic financial statements and supplementary information provided in the report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Tourism Commission was determined to be a component unit of the DeSoto Parish Policy Jury. The accompanying financial statements present information only on the funds maintained by DeSoto Parish Tourism Commission.

**FINANCIAL HIGHLIGHTS**

DeSoto Parish Tourism Commission experienced a decrease in its total net position of \$37,287 or 5.43% during the year. At December 31, 2020, the assets of the Tourism Commission exceeded its liabilities by \$649,303.

DeSoto Parish Tourism Commission's total revenues decreased \$556,935 or 70.60% to \$231,936 in 2020 from \$788,871 in 2019, primarily due to a visitor enterprise fund grant from the State of Louisiana received in 2019 and not in 2020.

Occupancy taxes decreased \$10,566 (7.34%) to \$133,450 during the year ended December 31, 2020, compared to \$144,016 during 2019.

DeSoto Parish Tourism Commission's total expenses decreased \$300,569 or 52.75% to \$269,223 in 2020 from \$569,792 in 2019. The decrease is primarily due a decrease in sub-recipient grants in 2020 compared to the prior year in which the Tourism Commission received the aforementioned enterprise fund grand from the State of Louisiana.

DeSoto Parish Tourism Commission's governmental fund balance decreased \$37,287 or 5.43% from \$686,590 in 2019 to \$649,303 for the year ended December 31, 2020.

**OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which includes government-wide financial statements and fund financial statements. These two types of financial statements present the Tourism Commission's financial position and results of operations from differing perspectives, which are described as follows:

**Government-Wide Financial Statement**

The government-wide financial statements report information about the Tourism Commission as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Tourism Commission's assets and all of its liabilities. All of the Tourism Commission's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by an occupancy sales tax on hotel, motel & overnight camping facility stays and intergovernmental revenues in the form of grants.

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**Mansfield, Louisiana**  
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**Fund Financial Statements**

Fund financial statements provide detailed information regarding the Tourism Commission's most significant activities and are not intended to provide information for the Tourism Commission as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Tourism Commission's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Tourism Commission's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Tourism Commission adopts an annual budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate budgetary compliance.

**Other Supplemental Information**

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

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

The comparison of net position from year to year serves to measure a government's financial position. As of December 31, 2020, the Tourism Commission's assets exceed its liabilities by \$649,303 (net position).

Unrestricted net position is 100% of total net position as of December 31, 2020, and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

Cash and cash equivalents decreased \$41,088 (6.06%) from \$678,226 in 2019 to \$637,138 at December 31, 2020.

Accounts receivables, consisting of 100% occupancy taxes, increased \$90 (0.52%) from \$17,377 in 2019 to \$17,467 at December 31, 2020.

Total liabilities decreased \$5,211 (45.26%) from 11,513 in 2019 to \$6,302 at December 31, 2020.



**DESOTO PARISH TOURISM COMMISSION**  
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A Summary of Statement of Net Position is as follows:

ASSETS	Governmental Activities	
	2020	2019
Cash and cash equivalents	\$ 637,138	\$ 678,226
Accounts receivable	17,467	17,377
Prepaid expense	1,000	2,500
Total assets	<u>\$ 655,605</u>	<u>\$ 698,103</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 349	\$ 6,002
Payroll Liabilities	2,168	1,677
Accrued compensated absences	3,785	3,834
Total liabilities	<u>\$ 6,302</u>	<u>\$ 11,513</u>
<b>NET POSITION</b>		
Unrestricted	649,303	686,590
Total net position	<u>\$ 649,303</u>	<u>\$ 686,590</u>

The following schedule compares revenues and expenses for the current and previous year. Total revenues decreased by \$556,935 or 70.60% in 2020. Approximately, 42.16% of the Tourism Commission's total revenues for 2020 come from operating grants and contributions and 57.54% from occupancy taxes. Total expenses decreased \$300,569 or 52.75% in 2020.

Operating grants and contribution revenue for the Tourism Commission decreased by \$545,984 (84.81%) in 2020, primarily due to a single visitor enterprise fund grant from the State of Louisiana received in 2019 and not received in 2020.

A Summary of Statement of Activities is as follows:

	Governmental Activities	
	2020	2019
Program Revenues:		
Operating grants & contributions \$	97,795	\$ 643,779
General Revenues:		
Occupancy taxes	133,450	144,016
Interest earnings	691	1,076
Total revenues	<u>231,936</u>	<u>788,871</u>
Expenses		
Tourism	269,223	569,792
Total expenses	<u>269,223</u>	<u>569,792</u>
Increases in net position	(37,287)	219,079
Net Position, beginning	686,590	467,511
Net Position, ending	<u>\$ 649,303</u>	<u>\$ 686,590</u>



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**FINANCIAL ANALYSIS OF THE TOURISM COMMISSION'S GOVERNMENT FUNDS**

For the year ended December 31, 2020, there were no differences between the government-wide presentation and the fund financial statements.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Tourism Commission complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq). The Tourism Commission adopted a budget for its General Fund for the year ended December 31, 2020. The budget was amended once during the year. Total budgeted revenues did not exceed actual revenues. Total actual expenditures were less than the final budget.

**DEBT ADMINISTRATION**

At December 31, 2020, the Tourism Commission had no debt on capital assets.

**CAPITAL ASSETS**

The Tourism Commission did not acquire any capital assets in 2020.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The primary revenue source for the Tourism Commission is derived from a three percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the boundaries of DeSoto Parish. This tax is subject to changes in the economy in the short-term and in the long-term. In budgeting for the year ended December 31, 2021, the Tourism Commission expects revenues to remain consistent with those experienced in 2020.

**CONTACTING THE TOURISM COMMISSION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the finances for those funds maintained by the DeSoto Parish Tourism Commission and to show the Tourism Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Julie Rogers, Executive Director, at 872-1177.

## BASIC FINANCIAL STATEMENTS

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION**

December 31, 2020

	Governmental Fund Financial Statements		Government-wide Statements
	<b>Balance Sheet</b>		<b>Statement of</b>
	General Fund	Adjustments	<b>Net Position</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 637,138	\$ -	\$ 637,138
Accounts receivable	17,467	-	17,467
Prepaid expenses	1,000	-	1,000
<b>TOTAL ASSETS</b>	<b>\$ 655,605</b>	<b>-</b>	<b>655,605</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 349	-	\$ 349
Payroll liabilities	2,168	-	2,168
<b>Total current liabilities</b>	<b>2,517</b>	<b>-</b>	<b>2,517</b>
Long-term liabilities:			
Accrued compensated absences	3,785	-	3,785
<b>TOTAL LIABILITIES</b>	<b>6,302</b>	<b>-</b>	<b>6,302</b>
<b>FUND BALANCE / NET POSITION</b>			
Fund balances:			
Nonspendable:			
Prepaid expenses	1,000	(1,000)	
Unassigned	648,303	(648,303)	-
<b>TOTAL FUND BALANCES</b>	<b>649,303</b>	<b>(649,303)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 655,605</b>	<b>(649,303)</b>	<b>-</b>
Net position:			
Unrestricted		649,303	649,303
<b>TOTAL NET POSITION</b>		<b>\$ -</b>	<b>\$ 649,303</b>

The accompanying notes are an integral part of this statement. See accompanying independent auditor's report.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /  
STATEMENT OF ACTIVITIES**

For the year ended December 31, 2020

	Governmental Fund Financial Statements <b>Statement of Revenues Expenditures, and Changes in Fund Balance</b>	Adjustments	Government-wide Statements <b>Statement of Activities</b>
	General Fund		
<b>EXPENDITURES/EXPENSES</b>			
Tourism:			
Personnel & related benefits	\$ 74,233	\$ -	\$ 74,233
Advertising and marketing	88,056	-	88,056
Operating expenses	71,934	-	71,934
Sub-recipient grants	35,000	-	35,000
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>269,223</b>	<b>-</b>	<b>269,223</b>
<b>PROGRAM REVENUES</b>			
Operating grants & contributions	97,795	-	97,795
<b>TOTAL PROGRAM REVENUES</b>	<b>97,795</b>	<b>-</b>	<b>97,795</b>
<b>NET PROGRAM REVENUE (EXPENSE )</b>	<b>(171,428)</b>	<b>-</b>	<b>(171,428)</b>
<b>GENERAL REVENUES</b>			
Occupancy taxes	133,450	-	133,450
Interest earnings	691	-	691
<b>TOTAL GENERAL REVENUES</b>	<b>134,141</b>	<b>-</b>	<b>134,141</b>
<b>NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION</b>	<b>(37,287)</b>	<b>-</b>	<b>(37,287)</b>
<b>FUND BALANCE / NET POSITION</b>			
Beginning of the year, restated	686,590		686,590
End of the year	\$ 649,303		\$ 649,303

The accompanying notes are an integral part of this statement. See accompanying independent auditor's report.



## NOTES TO THE FINANCIAL STATEMENTS

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2020

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## INTRODUCTION

The DeSoto Parish Tourism Commission was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 33:4574 on June 13, 1984 with the purpose of the promotion of tourism within DeSoto Parish. The Tourism Commission is governed by a seven-member commission appointed by the Police Jury. Appointments are made from a list of nominees submitted to the Police Jury by the DeSoto Parish Chamber of Commerce. The directors are appointed for terms of three years. The commission shall do all things necessary for the promotion and the advertisement and publication of information relating to tourist attractions within DeSoto Parish. The Tourism Commission has one part-time administrative paid employee and one full-time director.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the DeSoto Parish Tourism Commission have been prepared in conformity with governmental accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the DeSoto Parish Tourism Commission are discussed below.

### A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and which component units should be included within the reporting entity. Under provisions of this Statement, the DeSoto Parish Tourism Commission was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the Tourism Commission because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the Tourism Commission and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### B. BASIS OF PRESENTATION

The DeSoto Parish Tourism Commission's basic financial statements consists of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

### **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### B. BASIS OF PRESENTATION (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Tourism Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for 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 accounts of the Tourism Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The minimum number of funds is maintained consistent with legal and managerial requirements.

A fund is considered major if it is the primary operating fund of the entity. The only fund of the Tourism Commission is considered a major fund and is classified as a governmental fund as described below:

General Fund. The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Tourism Commission and is used to account for the operations of the Tourism Commission. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Tourism Commission's policy.

##### C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, transfers of assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

##### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.



**DESOTO PARISH TOURISM COMMISSION**

**Mansfield, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2020

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

**C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING** (continued)

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Occupancy taxes are recorded in the year in which the taxes are collected. Intergovernmental revenues and grants are recognized when received. Interest income on deposits is recorded monthly when the interest is earned and credited to the account.

Expenditures. Salaries are recorded when employee services are paid. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related liability is incurred.

**D. ASSETS, LIABILITIES AND EQUITY**

**Cash and interest-bearing deposits**

Cash includes amounts in demand accounts, interest-bearing demand deposits, and certificates of deposits with a 90-day or less maturity term at time of purchase. Under state law, the Tourism Commission may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Tourism Commission may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Prepaid Expenses**

Payments made to vendors for services that will benefit future accounting periods beyond December 31, 2020, are recorded as prepaid expenses.

**Accounts Receivable**

The only receivable for the governmental activities is occupancy taxes. Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.



# DESOTO PARISH TOURISM COMMISSION

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## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. ASSETS, LIABILITIES AND EQUITY (continued)

##### **Capital Assets**

Capital assets, which include property, plant, and equipment, are reported 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 fair market value at the date of donation. The Tourism Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The Bureau's assets are currently limited to furniture and fixtures with useful lives of 5-7 years.

##### **Equity Classifications**

##### Net Position

The Tourism Commission classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Tourism Commission's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Tourism Commission.

##### Fund Balances

In accordance with GASB Statement No. 54, the Tourism Commission classifies fund balances in governmental funds as follows:

- Nonspendable- Resources that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- Restricted- Resources constrained to specific purposes by their providers (such as grantors or higher levels of government).
- Committed- Resources constrained by the Tourism Commission itself. To be reported as committed, amounts cannot be used for any other purpose unless the Tourism Commission takes the action to remove or change the constraint.
- Assigned- Resources the Tourism Commission intends to use for a specific purpose.
- Unassigned- Resources that are available for any purpose.

# DESOTO PARISH TOURISM COMMISSION

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## NOTES TO THE FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. ASSETS, LIABILITIES AND EQUITY (continued)

The Tourism Commission establishes (and modifies and rescinds) fund balance commitments and assignments through adoption and amendment of the budget. The Tourism Commission would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

The General Fund, the Tourism Commission's only governmental fund, has an unassigned fund balance of \$649,303.

#### E. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### 2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2020, the Tourism Commission had cash and cash equivalents totaling \$637,138 (book balance).

The cash of the DeSoto Parish Tourism Commission is subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tourism Commission that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Tourism Commission's name.

At December 31, 2020, the Tourism Commission had \$638,326 in deposits (collected bank balances). These deposits were secured from risk by \$436,143 of federal deposit insurance and \$202,183 in pledged securities with a market value of \$299,566.

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of the certificate of deposit. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Tourism Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Tourism Commission's deposits are in interest bearing and non-interest bearing checking and savings accounts and short-term certificates of deposit which limits exposure to fair value losses.

# DESOTO PARISH TOURISM COMMISSION

## Mansfield, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2020

#### 3. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2020 are as follows:

Governmental Activities	Balance		Deletions / Reclassification	Balance	
	December 31, 2019	Additions		December 31, 2020	
Furniture & Fixtures	\$ 7,571	\$ -	\$ -	\$ 7,571	
Total	7,571	-	-	7,571	
Less accumulated depreciation					
Furniture & Fixtures	\$ 7,571	-	-	\$ 7,571	
Total	7,571	-	-	7,571	
Capital assets, net	\$ -	\$ -	\$ -	\$ -	

#### 4. LEVIED TAXES

Pursuant to RS 33:4574(B) the Tourism Commission is authorized to levy and collect a three percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the boundaries of the Tourism Commission. Collections are made through the DeSoto Parish Sales tax commission and remitted to the Tourism Commission monthly through the DeSoto Parish Police Jury. The Tourism Commission recognizes occupancy tax revenues when collected. Total of occupancy tax revenues recognized in 2020 by the Tourism Commission was \$133,450.

#### 5. RISK MANAGEMENT

The Tourism Commission is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets and errors and omissions. To reduce these risks, the Tourism Commission purchases commercial insurance. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2020.

#### 6. LITIGATION

There is no litigation pending against the Tourism Commission, at December 31, 2020, nor is it aware of any unasserted claims.

#### 7. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. There were no related party transactions.

#### 8. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Tourism Commission receive no compensation for their services.

#### 9. RETIREMENT COMMITMENTS

The Tourism Commission has two employees who are members of the Federal Social Security System. One of the said employees also receives a percentage of salary contribution from the Tourism Commission into an individual retirement account. The Tourism Commission's contribution to the Federal Social Security System was \$3,586 and it was \$1,500 for the employee retirement account for the year ended December 31, 2020.

**DESOTO PARISH TOURISM COMMISSION**

**Mansfield, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2020

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**10. SUBSEQUENT EVENTS**

Management has performed an evaluation of the Tourism Commission's activities through June 17, 2021 and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.



REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the year ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Occupancy taxes	\$ 125,000	\$ 126,000	\$ 133,450	\$ 7,450
Operating grants and contributions	94,000	97,276	#VALUE!	#VALUE!
Interest income	900	900	691	(209)
Total revenues	<u>219,900</u>	<u>224,176</u>	<u>#VALUE!</u>	<u>#VALUE!</u>
<b>Expenditures</b>				
Tourism:				
Personnel & related benefits	93,200	101,500	74,233	27,267
Advertising and marketing	426,280	128,560	88,056	40,504
Operating expenses	62,980	47,490	71,934	(24,444)
Sub-recipient grants	-	-	35,000	(35,000)
Total expenditures	<u>582,460</u>	<u>277,550</u>	<u>269,223</u>	<u>8,327</u>
 Net Change in Fund Balance	 (362,560)	 (53,374)	 #VALUE!	
 <b>Fund balances, beginning of year, restated</b>	 <u>686,590</u>	 <u>686,590</u>	 <u>686,590</u>	 <u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 324,030</u>	<u>\$ 633,216</u>	<u>\$ #VALUE!</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes to required supplementary information.

**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
December 31, 2020

**Budgetary Information**

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The budget is adopted annually on the modified accrual basis of accounting. The budget comparison schedule presents the original adopted budget and the final amended budget.

The Tourism Commission is required by state law to adopt an annual budget. A proposed budget is prepared by the governing board in October and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Tourism Commission. The original budget was approved in an open meeting November 12, 2019.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended once for the year ending December 31, 2020. The only amendment was adopted on November 17, 2020. For the year ended December 31, 2020, actual revenues were more than budgeted amounts. Actual expenditures were less than appropriations.

The Tourism Commission is in compliance with the Local Government Budget Act R.S. 39:1301-1316 and the budget requirements of R.S. 39-1331-1342.

OTHER SUPPLEMENTAL INFORMATION



**DESOTO PARISH TOURISM COMMISSION**  
**Mansfield, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended December 31, 2020

**Julie Rogers, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 48,154
Benefits-insurance (medicare taxes)	698
Benefits- retirement (Social Security taxes)	2,986
Benefits - Health insurance	10,518
Benefits - Retirement	1,500
Car allowance	-
Cell phone allowance	180
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	2,081
Registration fees	-
Conference travel	-
Training	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	\$ <u>66,117</u>

See independent auditor's report.

OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL  
AUDIT GUIDE



## **Dees Gardner, Certified Public Accountants, LLC**

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### **Independent Accountant's Report on Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by the management of the DeSoto Parish Tourist Commission (Tourist Commission) and the Legislative Auditor, State of Louisiana (the specified parties), on the Tourist Commission's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide. Management of the Tourist Commission is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

#### **Public Bid Law**

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable, and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$250,000.

#### **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 (the code of ethics).

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained Procedures 2 and 3.

None of the employees included on the list of employees provided by management (agreed-upon procedure No. 3) appeared on the list provided by management in agreed-upon procedure No. 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

A list of disbursements was obtained. None of the business interests were also found as a vendor.

### **Budgeting**

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

Management provided us with a copy of the original budget and all amendments to the original budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The Board adopted the original budget on November 12, 2019. It was amended on November 17, 2020.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more

We compared the revenues and expenditures of the final budget to actual revenue and expenditures. Actual revenues for the year were 3.35% more than budgeted amounts. Total actual expenditures were less than budgeted amounts by 3.07%.

### **Accounting and Reporting**

9. Obtain the list of disbursement made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursement are coded to the correct fund and general ledger account

One payment was not properly coded to the correct general ledger account due to a posting error related to the use of the accounts payable function.

- (c) Report whether the six disbursements were approved in accordance with policies and procedures

One payment reviewed was approved by management but was approved in violation of required documentation policies of the entity.

*Management response:* Management has newly adopted policies and procedures and will ensure documentation requirements regarding disbursements, including travel and related expenses, are followed moving forward to ensure these exceptions do not occur in the future.

## **Meetings**

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meeting law) and report whether there are any exceptions.

The Tourist Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the Tourist Commission office. There is a vote to accept the agenda as posted at the beginning of each meeting.

## **Debt**

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2020.

## **Advances and Bonuses**

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

## **State Audit Law**

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The report was filed timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management did not enter into any contracts that utilized state funds.

## **Other Matters, Concerns, Suggestions, Recommendations, and/ or Comments**

15. Discuss any other matters, concerns, suggestions, recommendations and/ or comments determined during the performance of attestation procedures.

None.



## Prior-Year Comments and Recommendations

16. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved.

There were four findings reported for the year ending December 31, 2019.

- a) The Tourist Commission has a continued finding for an inadequate segregation of duties that management does not see as cost beneficial to correct. The segregation of duties continues to be unresolved.
- b) There was not evidence that the bank reconciliations were being reviewed once completed. This matter has been resolved.
- c) There was evidence that all disbursements were not being approved in advance in writing. This is partially resolved in the current year but management did approve payments in violation of disbursement policy as noted in section 9 (c).
- d) The Tourist Commission had a continuing Budget finding. This matter has been resolved.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. 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 the Tourist Commission's compliance with the foregoing matters. 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 the Tourist Commission's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Dees Gardner, Certified Public Accountants, LLC*

Dees Gardner, Certified Public Accountants, LLC  
Mansfield, Louisiana  
June 17, 2021

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

DATE: 6/11/2021

Dees Gardner, Certified Public Accountants, LLC  
122 Jefferson Street  
Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] 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 R.S. 42:1101-1124.

Yes [] 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 R.S. 42:1119.

Yes [] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] 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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No [  ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No [  ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [  ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No [  ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] 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 R.S. 39:1410.60-1410.65.

Yes [] 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, R.S. 14:138, and AG opinion 79-729.

Yes [] No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [] No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [ ]

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

Yes [] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes [] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No [ ]

The previous responses have been made to the best of our belief and knowledge.

Julie A. Rogers Director 6/11/21 Date

Pamela B. Rodgers Treasurer 06/11/2021 Date

Margaret Dickerson President 6/11/2021 Date