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**ASCENSION PARISH TOURISM COMMISSION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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**ASCENSION PARISH TOURISM COMMISSION**

**FINANCIAL REPORT**

**DECEMBER 31, 2017**

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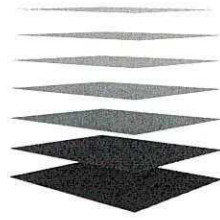
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DIEZ, DUPUY & RUIZ, LLC

## 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, 2017, 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, 2017, 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 information 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.

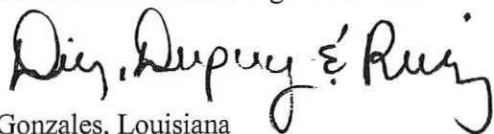
### ***Other Information***

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, 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 May 16, 2018 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 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  
May 16, 2018

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2017**

This section of Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on December 31, 2017.

**FINANCIAL HIGHLIGHTS**

- The Commission's total net position equaled \$880,530 as of December 31, 2017. Net position decreased approximately 6% from prior year's operations.
- During the year, the Commission's governmental activities expenses were \$58,646 more than the \$609,209 generated in taxes, and other revenue
- The General Fund reported a decrease in fund balance of \$59,525 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, 2017**

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, 2017**

**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, 2017**

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

**Net position.** The Commission's net position was \$880,530 at the end of the fiscal year. (See Table A-2.)

	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 825,348	\$ 885,224
Capital assets, net	55,432	54,553
<b>Total assets</b>	<b>880,780</b>	<b>939,777</b>
Current liabilities	250	601
<b>Total liabilities</b>	<b>250</b>	<b>601</b>
<b>Net position</b>		
Invested in capital assets, net of related debt	55,432	54,553
Unrestricted	825,098	884,623
<b>Total net position</b>	<b>\$ 880,530</b>	<b>\$ 939,176</b>

Net position of the Commission's governmental activities was \$880,530 at year end, a decrease of approximately 6% from prior year end.

**Changes in net position.** The Commission's total general revenues were \$609,209 at year end (See Table A-3.) Approximately 96% of the Commission's revenue comes from occupancy taxes. The remaining is interest and miscellaneous revenue.

The total cost of all general programs and services were \$667,855 at year end.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2017**

**Governmental Activities**

Revenues for the Commission's governmental activities were \$58,646 less than total expenses for year end. The cost of all governmental programs this year was \$667,855.

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

	2017	2016
<b>Revenues</b>		
General revenues		
Occupancy tax	\$ 581,983	\$ 675,660
Interest	1,231	861
Miscellaneous	25,995	11,786
<b>Total revenues</b>	<b>609,209</b>	<b>688,307</b>
 <b>Expenses</b>		
General government	667,855	592,707
<b>Total expenses</b>	<b>667,855</b>	<b>592,707</b>
 <b>(Decrease) increase in net position</b>	<b>\$ (58,646)</b>	<b>\$ 95,600</b>

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

As the Commission completed the year, its governmental funds reported a fund balance of \$825,098.

**ASCENSION PARISH TOURISM COMMISSION**

Sorrento, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2017**

**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 2017, the Commission had invested approximately \$55,432 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>2017</u></b>	<b><u>2016</u></b>
Equipment, fixtures, & vehicles	\$ 114,210	\$ 103,167
Less: Accumulated depreciation	(58,778)	(48,614)
<b>Total</b>	<b><u>\$ 55,432</u></b>	<b><u>\$ 54,533</u></b>

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

Among the factors considered in compiling the 2018 budget were as follows. The Commission is dependent on the 2% Occupancy Tax for approximately 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 expenditures are expected to be consistent with the current years; however, they could fluctuate with revenues.

**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, 2017**

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Cash	\$ 594,045
Certificate of deposits	151,625
Accounts receivable	79,678
Capital assets, net of accumulated depreciation	55,432
TOTAL ASSETS	880,780
 <b><u>LIABILITIES</u></b>	
Accounts payable	250
TOTAL LIABILITIES	250
 <b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	55,432
Unrestricted	825,098
TOTAL NET POSITION	\$ 880,530

See accompanying notes and independent auditors' report.

**ASCENSION PARISH TOURISM COMMISSION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Expenses	Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
<b><u>ACTIVITIES</u></b>			
<b>Governmental:</b>			
General Government	\$ 667,855	\$ -	\$ (667,855)
Total governmental activities	667,855	-	(667,855)
General Revenues:			
Intergovernmental:			
Occupancy tax			581,983
Other:			
Interest			1,231
Other income			25,995
Total general revenues			609,209
Change in net position			(58,646)
Net position - January 1, 2017			939,176
Net position - December 31, 2017			\$ 880,530

See accompanying notes and independent auditors' report.

**ASCENSION PARISH TOURISM COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**DECEMBER 31, 2017**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash	\$ 594,045
Certificate of deposits	151,625
Accounts receivable	79,678
<b>Total assets</b>	<b><u><u>\$ 825,348</u></u></b>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 250
<b>Total liabilities</b>	<b><u><u>250</u></u></b>
<b>FUND BALANCE</b>	
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	305,098
<b>Total fund balance</b>	<b><u><u>825,098</u></u></b>
<b>Total liabilities and fund balance</b>	<b><u><u>\$ 825,348</u></u></b>

See accompanying notes and independent auditors' report.

**ASCENSION PARISH TOURISM COMMISSION**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

Total fund balance - Governmental Fund		\$ 825,098
Cost of capital assets as December 31, 2017	114,210	
Less: accumulated depreciation as of December 31, 2017	<u>(58,778)</u>	<u>55,432</u>
Total net position at December 31, 2017 - Governmental Activities		<u>\$ 880,530</u>

See accompanying notes and independent auditors' report.

**ASCENSION PARISH TOURISM COMMISSION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES**  
**YEAR ENDED DECEMBER 31, 2017**

	General Fund
<b><u>REVENUE</u></b>	
Intergovernmental:	
Occupancy tax	\$ 581,983
Other:	
Interest	1,231
Other Income	25,995
Total revenues	609,209
 <b><u>EXPENDITURES</u></b>	
General government	
Advertising & marketing	390,504
Personnel	152,068
Other	114,218
Capital outlay	11,944
Total expenditures	668,734
Excess of expenditures over revenues	(59,525)
 <b>Fund Balance, Beginning of Year</b>	 884,623
 <b>Fund Balance, End of Year</b>	 \$ 825,098

See accompanying notes and independent auditors' report.



**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, 2017**

Excess of revenues over expenditures-Governmental fund	\$ (59,525)
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The change in net assets reported for governmental activities in the statement of activities is different because:

Capital assets purchased capitalized	11,043
Depreciation expense	<u>(10,164)</u>
Change in net position of governmental activities	<u>\$ (58,646)</u>

See accompanying notes and independent auditors' report.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**I. 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 Accounting

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. Non-exchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, includes taxes.

Basis of Presentation

The Commission's Basic Financial Statements consist of the government-wide statements on all the governmental activities. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

*Government-wide Financial Statements:*

The government-wide financial statements include the statement of activities for all governmental activities. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. All programs of the Commission are considered governmental activities which are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived from parties outside the Commission's taxpayers or citizenry, program revenues reduce the cost of the function to be financed from the Commission's general revenues.

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

The Commission reports all direct expenses by classification in the Statement of Activities. Direct expenses are those that are clearly identifiable with a classification. Indirect expenses of other classification are not allocated to those classifications but are reported separately in the Statement of Activities.

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.

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 building improvements, equipment, and furniture/fixtures are reported in the governmental activities 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
Equipment & fixtures	5-7 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.

**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 98% of the Commission's funding is provided from a 2% occupancy tax within the Parish.

Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters. The Commission carries commercial insurance for all risks of loss.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**2. CASH AND CERTIFICATES OF DEPOSITS**

At December 31, 2017, the carrying amounts of the Commission's deposits were as follows:

Demand deposit account	\$594,045
Certificates of deposit	<u>151,625</u>
Total deposits	<u>\$745,670</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, 2017, the Commission's bank balance was not exposed to custodial credit risk.

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2017, are as follows:

Governmental activities:	<b><u>Equipment &amp; Fixtures</u></b>
Cost of Capital Assets, December 31, 2016	\$ 103,167
Additions	11,043
Deletions	<u>-</u>
Cost of Capital Assets, December 31, 2017	<u>114,210</u>
Accumulated depreciation, December 31, 2016	48,614
Additions	10,164
Deletions	<u>-</u>
Accumulated depreciation, December 31, 2017	<u>58,778</u>
Capital assets, net of accumulated depreciation at December 30, 2017	<u>\$ 55,432</u>

For the year ended December 31, 2017, depreciation expense was \$10,164.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**5. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was May 16, 2018 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.

**6. RECLASSIFICATIONS**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.



**ASCENSION PARISH TOURISM COMMISSION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>REVENUES</u></b>			
Occupancy tax	\$ 540,000	\$ 540,000	\$ 581,983
Other:			
Interest	750	750	1,231
Other Income	25,700	25,700	25,995
Total revenues	<u>566,450</u>	<u>566,450</u>	<u>609,209</u>
<b><u>EXPENDITURES</u></b>			
General government			
Advertising & marketing	523,250	523,250	390,504
Personnel	166,525	166,525	152,068
Other	122,350	122,350	114,218
Capital outlay	25,000	25,000	11,944
Total expenditures	<u>837,125</u>	<u>837,125</u>	<u>668,734</u>
Excess of revenues over (under) expenditures	(270,675)	(270,675)	(59,525)
<b>Fund Balance, Beginning of Year</b>	<u>884,623</u>	<u>884,623</u>	<u>884,623</u>
<b>Fund Balance, End of Year</b>	<u>\$ 613,948</u>	<u>\$ 613,948</u>	<u>\$ 825,098</u>

See accompanying independent auditors' report.

**ASCENSION PARISH TOURISM COMMISSION**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**DECEMBER 31, 2017**

Agency Head Name/Title: Tracy Browning, Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 54,922
Benefits - insurance	5,031
Benefits - retirement	1,647
Per diem	2,197
Reimbursements	20
Travel	6,772
Continuing professional education fees	2,765
	<u>\$ 73,354</u>

See accompanying independent auditors' report.

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

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2017**

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

1. The auditor's report expresses an unmodified opinion on the financial statements of Ascension Parish Tourism Commission.
2. No significant deficiencies were reported in the audit of the financial statements of Ascension Parish Tourism Commission.
3. No instances of noncompliance material to the financial statements of Ascension Parish Tourism Commission were reported during the audit.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

INTERNAL CONTROLS

None

NON-COMPLIANCE

None

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

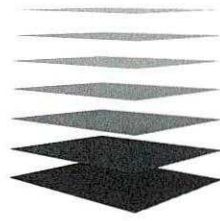
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED DECEMBER 31, 2017**

**A. FINDINGS - FINANCIAL STATEMENTS**

NONE

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

NONE



# DDR

DIEZ, DUPUY & RUIZ, LLC

**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, 2017, 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 May 16, 2018.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## 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  
May 16, 2018

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**ASCENSION PARISH TOURISM COMMISSION**

**STATEWIDE AGREED UPON PROCEDURES**

**DECEMBER 31, 2017**

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

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

We have performed the procedures enumerated below, which were agreed to by the Ascension Parish Tourism 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, 2017 through December 31, 2017. 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- 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.*



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- d) **Receipts**, including receiving, recording, and preparing deposits.

*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, and (5) monitoring card usage.

*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. Note: Ethics requirements are not applicable to nonprofits.

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

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

*No policy was provided and no debt was incurred during the fiscal year end. (Exception)*

*Management's response: We do not have any debt; however, will consider adopting a policy.*

***Board (or Finance Committee, if applicable)***

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2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly, with the exception of 4 months due to lack of quorum.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*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 funds.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*There was no deficit spending noted.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.*

***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

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

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.** For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*The bank reconciliations prepared for all accounts include evidence that a member of management has reviewed each bank reconciliation.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Obtained bank statements and reconciliations for all months in the fiscal period noting management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.*

### Collections

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Collections are performed by two employees. The two employees responsible for collecting cash are bonded. One employee responsible for collecting cash is responsible for depositing the cash in the bank, recording the related transaction, and reconciling the related bank account. Both employees share the same cash drawer at one location. There are no cash collections at Commission office. The Commission's employees are not bonded because it does not receive cash payments. There are 12 ACH payments received for Occupancy Tax and 12 checks received for shared office expenses from other entity.*

*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.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Written documentation was obtained and addresses the functions noted above; however, this process is not performed by a person independent of the cash collection process.*

*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) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*There is one cash collection site for all revenue sources. Deposits were not made within one day of collection. The number of days from receipt to deposit for each location is as follows:*

<u>Location</u>	<u>Number of Receipts</u>	<u>Number of Days from Collection to Deposit</u>
Commission Office	1	3 days

*Management's response: Due to the low volume of receipts collected during the week at the noted collection site and limited number of employees, it is not economically feasible for employees to travel to the bank. Deposits not made within one day of collection are kept in a locked safe until taken to the bank. Deposits are made weekly.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Sequentially numbered receipts and/or other related collection documentation supported the cash collection.*

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

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

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.*

*Management's response: The Commission is aware of the overlapping duties. The Board Chairman and Treasurer have overall responsibility for reviewing transactions prior to signing checks for purchases/disbursements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. Management feels that this is the most cost-efficient process for the Commission with the limited number of resources available.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*The persons with signatory authority or who make the final authorization for disbursements do not have responsibility for initiating or recording purchases.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*The supply of unused checks is maintained in a locked location. This locked location is under the control and access of a person who does not have signatory authority; however does have system access to print checks.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*No signature stamp or signature machine is utilized.*

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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 month tested, supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder without exception.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

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

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*Each transaction was supported by an original itemized receipt.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Documentation of business/public purpose was provided without exception.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*All other documentation appeared to be in order.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*No transactions that were tested reflected failures to comply with the Commission's written policies, nor were any \$10,000 or more requiring compliance with the Louisiana Public Bid Law.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No evidence of noncompliance noted in the transactions tested.*

## *Travel and Expense Reimbursement*

---

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

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

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*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.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*All expense reimbursements tested were in accordance with the Commission's written policy without exception.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

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

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

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

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

*Documentation in accordance with written policies was provided without exception.*



- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*The Commission's documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, section 14 of the Louisiana Constitution.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

### ***Contracts***

---

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Obtained listing of contracts in effect and management's representation that listing was complete.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*No exceptions noted.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

*Not applicable.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*No noncompliance noted.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*The contracts selected were not amended during the current fiscal period.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*Payments made on each contract were within the terms and conditions of the contract.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*Documentation was provided reflecting approval by the board of the contracts as it is not required by policy or law.*

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

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*Obtained listing of employees with their related salaries and management's representation that listing was complete.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*No exceptions noted.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)

*No exceptions noted.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*No exceptions noted.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*No exceptions noted.*

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*There were no employees or officials terminated during the fiscal period.*

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Documentation reflected that payroll tax return/reports were submitted to the applicable agencies by the required deadlines.*

#### ***Ethics (excluding nonprofits)***

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- 26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*No exceptions noted.*

- 27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that they have received no allegations during the fiscal period.*

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*No debt was issued during the fiscal period.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*The Commission did not have outstanding debt during the current fiscal period.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Not applicable.*

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Management asserted that the entity did not have any misappropriations of public funds or assets.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

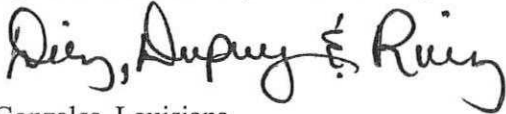
*Required notice was posted on the Commission's premises and website.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*No exceptions noted.*

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.

A handwritten signature in cursive script that reads "Dier, Dupuy & Ruiz". The signature is written in black ink and is positioned above the typed text.

Gonzales, Louisiana  
May 16, 2018