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**NATCHITOCHEES HISTORIC DISTRICT  
DEVELOPMENT COMMISSION**

**NATCHITOCHEES, LOUISIANA**

**General Purpose Financial Statements  
and Independent Auditors' Reports**

**As of and for the Year Ended June 30, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the House of Representatives office of the Legislative Auditor and, where appropriate, in the office of the parish clerk of court.

Release Date: 08/10/01

NATCHITOCHES HISTORIC DISTRICT DEVELOPMENT COMMISSION  
P. O. BOX 37  
NATCHITOCHES, LOUISIANA 71457  
(337) 597-4390

BOARD & COMMITTEE MEMBERS

Dr. Don Hasky, Chair - NSU  
Ann Bellisle, Vice-Chair - Museum Concepts  
Sandra Newell, Secretary - Assn for Preservation of Historic Natchitoches  
Roger Williams, Treasurer - Asst for Repe Taylor Townsend  
Senator Mike Smith  
Representative Taylor Townsend  
Mayor Wayne McCullen - City of Natchitoches  
Theresa Ficos - Natchitoches Area Chamber of Commerce  
Sharon Gahagan - Natchitoches Historic District Commission  
Vincent Colicci - Natchitoches Parish Voters & Civic League  
Robert DeBlieux - National Heritage Area Commission  
Myra Dumas - Natchitoches Main Street  
Daniel Graves - Alternate for Sen. Mike Smith  
Iris Harper - Natchitoches Parish Tourism Commission  
J. D. (Dad) Holland, III - Cane River Waterway Commission  
J. Michael Kersey - Historic District Business Association  
Bardy LaCasse - Alternate to Mayor McCullen  
Joe Mitchell, Jr. - Natchitoches Parish Police Jury  
Linda Lou Ropp - Natchitoches Historic Foundation

Deety Jones, Staff Recording Secretary

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**Board Members of  
Natchitoches Historic District  
Development Commission  
Natchitoches, Louisiana**

We have audited the accompanying general purpose financial statements of the **NATCHITOCHEES HISTORIC DISTRICT DEVELOPMENT COMMISSION**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2001, as listed in the Table of Contents. These general purpose financial statements are the responsibility of management of the Natchitoches Historic District Development Commission. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Institute of Governmental Auditors' Code. These standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Natchitoches Historic District Development Commission as of June 30, 2001, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2001, on our consideration of the Natchitoches Historic District Development Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

We have also issued our report dated August 21, 2001, on our consideration of the Natchitoches Historic District Development Commission's annual financial report to the Louisiana Division of Administration as of and for the year ended June 30, 2001.

*Larry J. Charney*  
Certified Public Accountant, CPA

*Beverly L. Ryall*  
Certified Public Accountant

August 23, 2001

NANTUCKET HISTORIC DISTRICT DEVELOPMENT COMMISSION  
BALANCE SHEET  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
JUNE 30, 2003

ASSETS	
Cash	<u>\$ 153,504</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 153,504</b></u>
LIABILITIES AND FUND EQUITY	
<b>Liabilities:</b>	
Accounts payable	<u>\$ 7,546</u>
Total liabilities	<u>7,546</u>
<b>Fund Equity:</b>	
Fund balances -	
Unreserved - undesignated	<u>146,558</u>
Total Fund Equity	<u>146,558</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$ 153,504</b></u>

The accompanying notes are an integral part of this statement.

NANTUCKET HISTORIC DISTRICT DEVELOPMENT COMMISSION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GOVERNMENTAL FUND TYPE - GENERAL FUND  
 YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental -			
Grants - state	\$ 140,000	\$ 71,104	\$ (68,896)
Use of money and property -			
Interest earned	10,000	10,097	97
<b>Total Revenues</b>	<u>150,000</u>	<u>81,201</u>	<u>(68,799)</u>
<b>Expenditures</b>			
General Government -			
Travel	5,000		5,000
Supplies	7,000	37	6,963
Telephone	2,400	0	2,396
Postage	3,000	11	2,989
Secretary fees	4,800	4,800	
Accounting fees	8,000	6,000	2,000
Economic Development -			
Sitecraze and landscape	82,945	47,144	35,801
Waterfront access	55,000	58,582	3,582
Marketing and redevelopment	1,000	880	120
Grants	65,000	67,154	(2,154)
Parking, access and traffic	44,055	34,785	9,270
Christmas set pieces	25,000	25,000	
Christmas festival	25,000	25,000	
<b>Total Expenditures</b>	<u>386,200</u>	<u>261,177</u>	<u>125,023</u>
<b>Excess of Revenues (Expenditures)</b>	(236,200)	(179,976)	56,224
Fund Balance - July 1, 2000	<u>326,354</u>	<u>326,354</u>	
<b>FUND BALANCE - June 30, 2001</b>	<u>\$ 140,154</u>	<u>\$ 146,378</u>	<u>\$ 6,224</u>

The accompanying notes are an integral part of this statement.

**NATCHITOCHEUS HISTORIC DISTRICT DEVELOPMENT COMMISSION  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - INTRODUCTION**

The Natchitoches Historic District Development Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 25:791. The Commission is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Commission was created for the purpose of planning and development of the Natchitoches Historic District, a national landmark, and for the maintenance of the historic integrity of the District. The Board of the Commission shall consist of a Chairman, Vice-Chairman, Secretary, and Treasurer. The Commission has no standing employees.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The Natchitoches Historic District Development Commission prepares its financial statements in accordance with the standards established by the GASB.

**Reporting Entity**

GASB Codification Section 2180 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the State of Louisiana. The Natchitoches Historic District Development Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of the Natchitoches Historic District Development Commission, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a general purpose financial statement which includes the activity contained in the accompanying financial statement. The general purpose financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

**Fund Accounting**

The activities of the Natchitoches Historic District Development Commission are organized on the basis of funds and activity groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Revenues are accounted for in those funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

**General Fund**

The General Fund is the general operating fund of the Commission and is classified as a general central fund. It accounts for the Commission's general activities, including the collections and

**NETCHITOCHEUS HISTORIC DISTRICT DEVELOPMENT COMMISSION  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

**Revenues**

All intergovernmental revenues and a substantial portion of miscellaneous revenues are recorded as revenue when earned and billed since they are measurable and available and are therefore considered to be susceptible to accrual.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when they become available.

**Expenditures**

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

The Commission has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements.

**Budget Process**

An annual operating budget is adopted for the General Fund. The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each year, the Secretary-Treasurer prepares a proposed budget and submits same to the Board of Commissioners.
2. The Board of Commissioners approves the budget, or amends it as necessary.
3. The approved budget is held open for public inspection.
4. The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for the General Fund.
5. Appropriations which are not expended lapse at year-end.

**NAUCHITOCHEE HISTORIC DISTRICT DEVELOPMENT COMMISSION  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

**Encumbrances**

Encumbrance accounting is used when purchase orders are awarded in order to ensure that portions of the applicable appropriations. The Commission does not follow the governmental method of accounting.

**Cash**

Under state law, the Commission may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Commission may invest its own certificates of deposit of state bonds registered under Louisiana law or of any other state of the United States, or under the laws of the United States, in savings accounts or shares of savings and loan associations and savings bonds and in share accounts and share certificate accounts of federally or state chartered credit unions.

Cash includes amounts in an interest-bearing demand deposit accounts.

**NOTE 3 - CASH**

At June 30, 2011, the Commission has cash and cash equivalents (bank balances) totaling \$275,994.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) may 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.

At June 30, 2010, the Commission has \$171,866 in deposits (pledged bank balances). These deposits are secured from risk by \$180,808 of federal deposit insurance and \$92,591 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Category 5).

Even though the pledged securities are considered unaffiliated (Category 5) under the provisions of GAAP Statement No. 3, E.S. 591229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - ESTIMATES**

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

**NOTE 5 - RISK MANAGEMENT**

The Commission is exposed to various risks of loss resulting from theft, fire, flood, and damage to, and destruction of, assets, errors and omissions, and natural disasters. The Commission has not purchased any insurance coverage to protect itself from these type losses.

**NATCHITOCHEES HISTORIC DISTRICT DEVELOPMENT COMMISSION  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - LITIGATION AND CLAIMS**

There were no judgments, claims or similar contingencies pending against the Commission at June 30, 2003.

**NOTE 7 - FEDERAL FINANCIAL ASSISTANCE**

The Commission received no federal funds during the fiscal years ended June 30, 2000 and 1999.

**NOTE 8 - COMPENSATION PAID TO BOARD MEMBERS**

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members serve without compensation.

**NOTE 9 - GASB 94 IMPLEMENTATION**

The Governmental Accounting Standards Board (GASB) issued Statement Number 54, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", in June 1999. The date of implementation is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999 (rather application is encouraged). Since these financial statements will be included in the Comprehensive Annual Financial Report of the State of Louisiana and since the total annual revenues of the State of Louisiana is in excess of \$100 million in the first year ending June 30, 2000, therefore, the Natchitoches Historic District Development Commission is (phase 1) required to implement the provisions for the presentation of financial statements for the period beginning after June 29, 2000. GASB Statement Number 54 establishes a new governmental financial reporting model that will feature, among other significant changes, management discussion and analysis, a unique combination of fund-based and government-wide financial statements, required supplementary information, accounting for infrastructure assets, and accounting for the depreciation of infrastructure assets. The effects on the Natchitoches Historic District Development Commission's financial statements are not known at this time; however, the provisions will be implemented for the year ending June 30, 2002.

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

**Board Members of  
Natchitoches Historic District  
Development Commission  
Natchitoches, Louisiana**

We have audited the general purpose financial statements of the NATCHITOCHEES HISTORIC DISTRICT DEVELOPMENT COMMISSION, a component unit of the State of Louisiana, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 21, 2001. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

**Compliance**

As part of obtaining reasonable assurance about whether the Natchitoches Historic District Development Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Natchitoches Historic District Development Commission's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and

an operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Natchitoches Historic District Development Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. A reportable condition is described in the accompanying schedule of findings as item 2000-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions described above as a material weakness. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the Natchitoches Historic District Development Commission and its management and is not intended to be and should not be used by anyone other than those specified parties. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*George J. Henry*  
Certified Public Accountant, CPA

*Beverly M. Byrd*  
Certified Public Accountant

August 21, 2001

NATCHITOCHEES HISTORIC DISTRICT DEVELOPMENT COMMISSION  
SCHEDULE OF FINDINGS  
YEAR END/D JUNE 30, 2001

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of Natchitoches Historic District Development Commission.
2. One reportable condition was disclosed during the audit of the general purpose financial statements.
3. One instance of noncompliance was disclosed during the audit of the general purpose financial statements.
4. There were no federal awards received by Natchitoches Historic District Development Commission.

**B. FINDINGS—FINANCIAL STATEMENTS AUDIT**

*Noncompliance*

**2001-1 Actual Revenues Fell Short of Budgeted Revenues by More Than 5%**

*Condition:*

Actual revenues fell short of budgeted revenues by 45.75%.

*Criteria:*

Under La. R.S. 59:1509 "Amending the Budget" the governing authority shall adopt a budget amendment in an open meeting to reflect any changes pertinent to La. R.S. 59:1510(A)(1). That section requires a budget amendment whenever total revenue plus projected revenues for the remainder of the year are falling to meet total budgeted revenues by five (5%) percent or more.

*Effect:*

Management's failure to amend the budget is a violation of revised statute.

*Cause:*

Inadequate monitoring of budget against operations.

*Recommendation:*

Management should improve its monitoring of the budget on a quarterly basis by projecting the remainder of the year's revenues and expenditures plus actual revenues and expenditures and amending the budget as necessary.

*Response:*

Management concurred with the recommendations.

## **Reportable Condition**

### **2001-2 Deviation From Policy**

#### **Condition:**

Grant awards for the Retail Development Grant program were not disbursed according to policy and the final Project Summary Reports were not received.

#### **Criteria:**

Management has adopted a Retail Development Grant Agreement whose Grant awards are to be disbursed according to a set plan based upon certain criteria.

- 50% of amount awarded upon approval
- 30% of amount awarded upon submission of invoices totaling the 60% previously paid
- 10% (final payment) of amount awarded upon submission of invoices totaling the remaining 40% of expenses paid and a completed Project Summary Report

#### **Affect:**

Management did not adhere to adopted policy.

#### **Cause:**

Inadequate supervision of the program.

#### **Recommendation:**

Management should modify its policy in instances where the adopted policy does not meet the grant award guidelines.

#### **Response:**

Management concurred with the recommendation.

## MANAGEMENT'S CORRECTIVE ACTION PLAN

# Platchitoches Historic District Development Commission

## MEMBER COMMITTEES

Dr. Tom Harty, Chair  
Michael S. Gorman  
John Harty, Vice Chair  
Michael S. Gorman

John Harty, Jr., Chair  
Michael S. Gorman  
Tom Harty

Ray Williams, Chair  
Michael S. Gorman, Administration  
Ray G. Gorman, Secretary

Michael S. Gorman  
Chair, Representative  
Michael S. Gorman  
Representative, Public Hearing

## THE COMMISSION

Chairman  
Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Michael S. Gorman  
Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Michael S. Gorman  
Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

## MEMBERSHIP

Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

## MEMBERSHIP

Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Michael S. Gorman, Chair  
Michael S. Gorman, Vice Chairman

Tom Harty, Chair

Michael S. Gorman, Chair

(504) 333-5754 Phone

(504) 333-5888 Fax

## MANAGEMENT'S CORRECTIVE ACTION PLAN

Please accept this as management's  
corrective action plan in response to your report.

### NONCOMPLIANCE

2001-1 Actual revenues fell short of budgeted revenues by more than 8%.

#### Condition:

Actual revenues fell short of budgeted revenues by 43.73%.

#### Recommendation:

Management should improve its monitoring of the budget on a quarterly basis by projecting the remainder of the year's revenues and expenditures plus actual revenues and expenditures and amending the budget as necessary.

#### Response:

Management concurred with the recommendation.

### REPORTABLE CONDITIONS

2001-2 Violation From Policy

#### Condition:

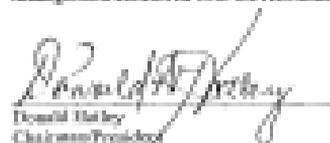
Grant awards for the Retail Development Grant program were not disbursed according to policy and the Final Project Summary Reports were not received.

#### Recommendation:

Management should modify its policy in instances where the adopted policy does not meet the grant award guidelines.

#### Response:

Management concurred with the recommendation.

  
Donald Harty  
Chairman/President

**SUPPLEMENTAL INFORMATION REQUIRED BY**  
**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the Commission's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

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**INDEPENDENT AUDITORS' REPORT ON  
THE ANNUAL FINANCIAL REPORT TO THE  
STATE OF LOUISIANA, DIVISION OF ADMINISTRATION  
OFFICE OF STATISTICAL REPORTING AND ACCOUNTING POLICY**

**Board Members of  
Natchitoches Historic District  
Development Commission  
Natchitoches, Louisiana**

Our report on the audit of the general purpose financial statements of the NATCHITOCHEES HISTORIC DISTRICT DEVELOPMENT COMMISSION as of and for the year ended June 30, 2001, appears on Page 3. That audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Annual Financial Report for the year ended June 30, 2001, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Larry J. Cheaty*  
Certified Public Accountant, CPA

*Beverly M. Ryall*  
Certified Public Accountant

August 21, 2001

STATE OF LOUISIANA  
NATCHITOCHEES HISTORIC DISTRICT  
DEVELOPMENT COMMISSION

ANNUAL FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2001

State of Louisiana  
Natchitoches Historic District Development Commission  
Annual Financial Statement  
Fiscal Year Ending June 30, 2001

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State of Louisiana  
Natchitoches Historic District Development Commission

Annual Financial Statement  
Fiscal Year Ending June 30, 2001

Division of Administration  
Office of Statewide Reporting  
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P. O. Box 94899  
Baton Rouge, LA 70804-9899

Legislative Auditor  
P. O. Box 94993  
Baton Rouge, LA 70804-9997

APPENDIX

Personally came and appeared before the undersigned authority, Donald Hatley (Name)  
Chairman (Title) of Natchitoches Historic District Development Commission who  
duly swears, deposes and says, that the financial statement herewith gives persons fairly the financial  
position of Natchitoches Historic District Development Commission at June 30, 2001, and the results of  
operations for the year then ended in accordance with policies and practices established by the Division of  
Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the  
Governmental Accounting Standards Board.

Sworn and subscribed before me, this 28<sup>th</sup> day of August, 2001.

  
Signature of Agency Official

  
Notary Public

Prepared by: MORRIS W. COUSACK

Title: ACCOUNTANT

Telephone No.: 225-382-2652

Date: 8-28-2001

State of Louisiana  
 Natchitoches Historic District Development Commission  
 Combined Balance Sheet  
 All Fund Types  
 Fiscal Year Ending June 30, 2001

	(Governmental Fund) General Fund
<b>ASSETS:</b>	
Cash	\$153,084
<b>Total Assets</b>	<b>\$153,084</b>
<b>LIABILITIES AND FUND EQUITY:</b>	
<b>Liabilities-</b>	
Accounts Payable	\$    2,146
<b>Fund Equity-</b>	
Fund Balance-	
Unreserved-Undesignated	\$149,358
<b>Total Fund Equity</b>	<b>\$149,358</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$153,084</b>

The accompanying notes are an integral part of this statement.

State of Louisiana  
 Natchitoches Historic District Development Commission  
 Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual - Governmental Fund Type -  
 General Fund  
 Fiscal Year Ending June 30, 2001

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES:</b>			
Miscellaneous-			
Interest	\$ 18,000	\$ 10,197	\$ 7,803
Intergovernmental-			
State (Hotel/Motel) Tax	148,000	71,184	76,816
Total Revenues	\$166,000	\$81,381	\$84,619
<b>EXPENDITURES:</b>			
General Government-			
Secretary Fee	\$ 4,000	\$ 4,800	\$ 800
Supplies	4,000	0	4,000
Travel Expenses	3,000	0	3,000
Postage	3,000	11	2,989
Telephone	2,400	6	2,394
Misc. Expense	3,000	27	2,973
Professional Services	8,000	6,000	2,000
Economic Development-			
Capital Expenditures	188,800	200,322	11,522
Total Expenditures	\$210,200	\$211,126	\$1,926
Excess of Revenues Over Expenditures	\$(-44,200)	\$(-129,745)	\$ 85,545
Fund Balance-Beginning of Year	326,212	326,183	29
Fund Balance-End of Year	\$282,012	\$196,438	\$ 85,574

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

State of Louisiana  
Natchitoches Historic District Development Commission  
Notes to Financial Statements  
Fiscal Year Ending June 30, 2021

## INTRODUCTION

The Natchitoches Historic District Development Commission was created by Act R.S. 25790 of the Louisiana Legislature. The Commission is created for the purpose of planning and development of the Natchitoches Historic District, a national landmark, and for the maintenance of the historic integrity of the District. The Board of the Commission shall consist of a Chairman, Vice-Chairman, Secretary, and Treasurer. The Commission has no statutory employees.

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. BASIS OF PRESENTATION-

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governmental units, on a basis consistent between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

#### 2. REPORTING ENTITY-

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criteria 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.

- 1) Appointing a voting majority of an organization's governing body, and
  - a. The ability of the State of Louisiana 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 State of Louisiana.
- 2) Organizations for which the State of Louisiana does not appoint a voting majority but are financially dependent on the State of Louisiana.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

State of Louisiana  
 Historical Historic District Development Commission  
 Notes to Financial Statements  
 Fiscal Year Ending June 30, 2001

Because the State of Louisiana created by ordinance, the Historical Historic District Development Commission, the Commission was determined to be a component unit of the State of Louisiana, 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 State of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### 3. FUND ACCOUNTING:

The Commission uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

The fund classifications and a description of each existing fund type follow:

#### Governmental Funds-

Governmental funds account for all of the Commission's general activities, including the collection and disbursement of specific or legally restricted revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General Fund--the general operating fund of the Commission and account for all financial resources, except those required to be accounted for in other funds.

### 4. BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in the current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following positions in recording revenues and expenditures:

#### Revenues-

Revenues are recognized when they become measurable and available as per current usage.

State of Louisiana  
Natchitoches Historic District Development Commission  
Notes to Financial Statements  
Fiscal Year Ending June 30, 2001

All intergovernmental revenues and a substantial portion of miscellaneous revenues are recorded as revenues when earned and billed since they are reasonable and available and are therefore considered to be susceptible to accrual.

**Expenditures-**

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

The Commission has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements.

**B. BUDGETS:**

An annual operating budget is adopted for the General Fund. The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to the beginning of each year, the Secretary-Treasurer prepares a proposed budget and submits same to the Board of Commissioners.
- 2) The Board of Commissioners approves the budget, or amends it as necessary.
- 3) The approved budget is held open for public inspection.
- 4) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund for which an annual budget is prepared. Appropriations which are not expended lapse at year-end.

**C. ENCUMBRANCES:**

The Natchitoches Historic District Development Commission does not employ the use of "encumbrance" accounting.

**D. DEPOSITS WITH FINANCIAL INSTITUTIONS:**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law, the Natchitoches Historic District Development Commission may deposit funds within a fiscal agent bank selected and designated by the Local Emergency Board. Further, the Commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federal or state-chartered credit unions.

State of Louisiana  
 Natchitoches Historic District Development Commission  
 Notes to Financial Statements  
 Fiscal Year Ending June 30, 2004

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Commission. The deposits at June 30, 2004, were secured as follows:

	Deposits in Bank Accounts		
	Cash	Certificates of Deposit	Total
Deposits in Bank Accounts per Balance Sheet	\$121,366	50	\$121,366
Bank Balances:			
a. Insured (FDIC)	\$100,000	50	\$100,050
b. Collateralized with securities held by pledging financial institution's trust department as agent in the city's name	71,366	0	71,366
c. Uninsured	____0	0	____0
<b>Total</b>	<b>\$171,366</b>	<b>50</b>	<b>\$171,366</b>

The following is a breakdown by banking institution, program, and amount of the balances shown above:

Banking Institution	Program	Amount
City Bank & Trust Co.	Checking	\$121,366
<b>Total</b>		<b>\$121,366</b>

#### E. PENDING LITIGATION

As June 30, 2004, the Natchitoches Historic District Development Commission was not a party in any civil suit seeking damages against the Commission.

SUPPLEMENTARY INFORMATION

State of Louisiana  
Natchitoches Historic District Development Commission  
Schedule of Per Diem Paid to Board Members  
Fiscal Year Ending June 30, 2001

The Natchitoches Historical District Development Commission does not pay per diem's to their board members.

State of Louisiana  
Natchitoches Historic District Development Commission  
Schedule of State Funding  
Fiscal Year Ending June 30, 2004

<u>Funding/Source</u>	<u>Amount</u>
State Hotel/Motel Tax	\$21,189

State of Louisiana  
Natchitoches Historical District Development Commission  
Schedule of Expenditures by Object  
Fiscal Year Ending June 30, 2004

Object	Amount
Secretary Fees	\$ 4,800
Postage	11
Telephone	6
Miscellaneous	37
Professional Services	6,080
Capital Expenditures	290,124
Total Expenditures	\$361,178