

ALLEN PARISH TOURIST COMMISSION  
ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORTS  
Year Ended December 31, 2018

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

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## ALLEN PARISH TOURIST COMMISSION

### Management's Discussion and Analysis

Within this section of the Allen Parish Tourist Commission (Commission) annual financial report, the Commission's management is pleased to provide this narrative discussion and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2018. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### Financial Highlights

- The Commission's assets exceeded its liabilities by \$1,250,054 (net position) for the fiscal year reported.
- Total revenues of \$274,549 were less than total expenditures of \$382,576, which resulted in a current year deficit of \$108,027, compared to a prior year surplus of \$196,204.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets, net of related debt, of \$1,143,940 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the purchase of capital assets.
  - (2) Unrestricted net position of \$106,114.
- At the end of the current fiscal year, unrestricted net position for the general fund was 28% of total general fund expenditures and 39% of total general fund revenues.
- Overall, the Commission continues to maintain a solid financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

#### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Commission's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Commission also includes in this report additional information to supplement the basic financial statements.

## ALLEN PARISH TOURIST COMMISSION

### Management's Discussion and Analysis

#### **Government-wide Financial Statements**

The Commission's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Commission's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Commission's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission as a whole is improving or deteriorating. Evaluation of the overall health of the Commission would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Commission's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Commission's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 13 through 14 of this report.

#### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Commission uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Commission's most significant funds rather than the Commission as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Commission uses governmental funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Commission's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16 through 19 of this report.

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

**Notes to the Basic Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Commission's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the Commission's adopted and final revised budget. Required supplemental information can be found on page 30 of this report.

**Financial Analysis of the Commission as a Whole**

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Commission as a whole.

The Commission's net position at fiscal year-end are \$1,250,054. The following table provides a summary of the District's net position:

	<u>2018</u>		<u>2017</u>	
Assets:				
Current assets and other assets	\$ 109,520	9%	\$ 285,471	19%
Capital assets	<u>1,143,940</u>	<u>91</u>	<u>1,182,421</u>	<u>81</u>
Total assets	<u>1,253,460</u>	<u>100%</u>	<u>1,467,892</u>	<u>100%</u>
Deferred outflows of resources	<u>-</u>	<u>100%</u>	<u>-</u>	<u>100%</u>
Liabilities:				
Current liabilities	<u>3,406</u>	<u>100%</u>	<u>109,811</u>	<u>100%</u>
Total liabilities	<u>3,406</u>	<u>100%</u>	<u>109,811</u>	<u>100%</u>
Deferred outflows of resources	<u>-</u>	<u>100%</u>	<u>-</u>	<u>100%</u>
Net position:				
Investment in capital assets, net of debt	1,143,940	92%	1,182,421	87%
Unrestricted	<u>106,114</u>	<u>8</u>	<u>175,660</u>	<u>13</u>
Total net position	<u>\$ 1,250,054</u>	<u>100%</u>	<u>\$ 1,358,081</u>	<u>100%</u>

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

The Commission continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 32.2 to 1 (2.6 for 2017).

Note that approximately 92% (87% for 2017) of the governmental activities' net position are tied up in capital assets. The Commission uses these capital assets to provide services to its citizens.

Overall, the Commission reports net position of \$1,250,054. This amount is \$108,027 less than last year. The Commission's overall financial position remained strong during fiscal year 2018.

The following table provides a summary of the Commission's changes in net position:

Revenues:	<u>2018</u>		<u>2017</u>	
Program:				
Hotel/Motel Use Tax	\$ 165,972	60%	\$ 183,234	37%
Capital Grants	105,701	38	313,942	61
General:				
Interest	319	-	313	-
Miscellaneous	<u>2,557</u>	<u>2</u>	<u>13,375</u>	<u>2</u>
Total Revenues	<u>274,549</u>	<u>100%</u>	<u>510,864</u>	<u>100%</u>
Program expenses:				
Tourism Administration	<u>382,576</u>	100%	<u>314,660</u>	100%
Total Expenses	<u>382,576</u>	<u>100%</u>	<u>314,660</u>	<u>100%</u>
Change in net position	(108,027)		196,204	
Beginning net position	<u>1,358,081</u>		<u>1,161,877</u>	
Ending net position	<u>\$1,250,054</u>		<u>\$ 1,358,081</u>	

**Governmental Revenues**

The Commission is heavily reliant on hotel/motel use taxes. These taxes provided 98% (93% for 2017), excluding grants, of the Commission's revenues during the current year.

**Governmental Functional Expenses**

The total function of the Commission is to promote tourism in Allen Parish. Of the total cost, depreciation on the equipment was \$38,481 or 10% of total expenses, \$37,901 or 12% for 2017.

# ALLEN PARISH TOURIST COMMISSION

## Management's Discussion and Analysis

### Financial Analysis of the Commission's Funds

#### Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$106,114, of which \$64,072 is unassigned.

The excess of expenditures over revenues for the governmental funds show a deficit of \$69,546 compared to a surplus of \$143,465 for the prior year.

#### Budgetary Highlights

**The General Fund** – When the original budget was adopted, it was anticipated that the total revenues were going to be \$200,764 less than the previous fiscal year, mainly due to a decrease in grant revenues. The total budgeted expenditures were anticipated to be \$22,704 less than the previous year's actual expenditures, mainly due to advertising. The budget was amended once during the year, the revenues mainly for a decrease in intergovernmental revenues of \$63,000 and the expenditures an increase of \$26,160, mainly for an increase in advertising.

#### Capital Assets and Debt Administrators

##### Capital assets

The Commission's investment in capital assets, net of accumulated depreciation as of December 31, 2018, was \$1,143,940. See Note C for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>2018</u>	<u>2017</u>
Non-depreciable assets-land	\$ 109,831	\$ 109,831
Non-depreciable assets-museum artifacts	12,936	12,936
Construction in progress	187,076	187,076
Depreciable assets:		
Equipment	63,082	63,082
Furniture & fixtures	203,561	203,561
Buildings	829,219	829,219
Improvements	<u>108,892</u>	<u>108,892</u>
Total depreciable assets	1,204,754	1,204,754
Less accumulated depreciation	<u>370,657</u>	<u>332,176</u>
Book value-depreciable assets	<u>\$ 834,097</u>	<u>\$ 872,578</u>
Percentage depreciated	<u>31%</u>	<u>28%</u>
Book value-all assets	<u>\$1,143,940</u>	<u>\$1,182,421</u>

Construction in progress at December 31, 2018 of \$187,076 represents cost for the Myths and Legends Byway project. The total final cost is expected to be \$550,000, funded mostly by state and local grants, with the Commission's cost expected to be \$30,000. Completion is expected in 2019.

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

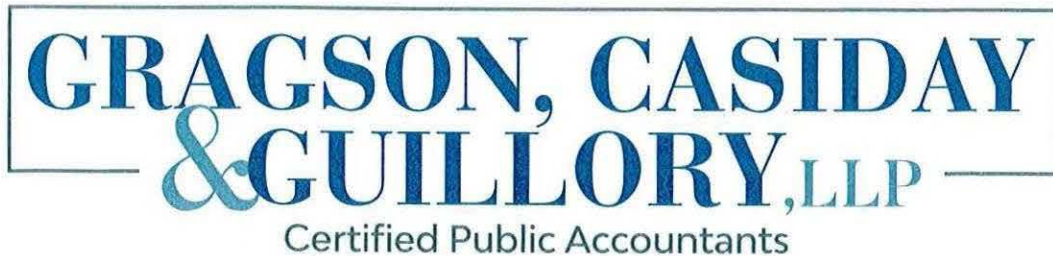
**Economic Conditions Affecting the Commission**

Since the primary revenue stream for the Commission is hotel/motel taxes, the Commission tax revenues are subject to changes in the economy.

**Contacting the Commission's Financial Management**

This financial report is designed to provide a general overview of the Commission's finances, comply with finance-related laws and regulations, and demonstrate the Commission's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Director of the Commission, Adagria A. Haddock, at (337) 639-4868.





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## INDEPENDENT AUDITORS' REPORT

June 17, 2019

Board of Commissioners  
Allen Parish Tourist Commission  
Oberlin, LA

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, 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 the 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 error or fraud.

### Auditor's Responsibility

Our responsibility is to express an opinion 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 audits contained in *Government 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 of 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 fraud or error. 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 principles used and the reasonableness of significant 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 opinion.

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## Opinion

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 the Allen Parish Tourist Commission as of December 31, 2018, and the respective changes of financial position for the year then ended in conformity 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 28 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 any 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 Allen Parish Tourist Commission's basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer is presented for purpose of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer is the responsibility of management and was derived from and relate 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2019 on our consideration of the Allen Parish Tourist 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.



GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

BASIC FINANCIAL STATEMENTS

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

GRAGSON, CASIDAY & GUILLORY, L.L.P.  
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ALLEN PARISH TOURIST COMMISSION

Statement of Net Position

December 31, 2018

ASSETS	
Cash	\$ 94,368
Taxes receivable	10,685
Prepaid expenses	196
Due from intergovernmental	4,121
Security deposits	150
Capital assets, net	1,143,940
Total assets	<u>1,253,460</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>-</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,416
Payroll taxes payable	1,990
Total liabilities	<u>3,406</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>-</u>
NET POSITION	
Net investment in capital assets, net of related debt	1,143,940
Unrestricted	106,114
	<u>\$ 1,250,054</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH TOURIST COMMISSION

Statement of Activities

Year Ended December 31, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position Governmental Activities</u>
		<u>Hotel/Motel Use Tax</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:				
Tourism Administration	\$ 382,576	\$ 165,972	\$ 105,701	\$ (110,903)
Total	<u>\$ 382,576</u>	<u>\$ 165,972</u>	<u>\$ 105,701</u>	<u>(110,903)</u>
		General revenues:		
		Miscellaneous		2,557
		Interest		<u>319</u>
		Total general revenues		<u>2,876</u>
		Change in net position		<u>(108,027)</u>
		Net position - beginning		<u>1,358,081</u>
		Net position - ending		<u>\$ 1,250,054</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

GRAGSON, CASIDAY & GULLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

ALLEN PARISH TOURIST COMMISSION

Balance Sheet - Governmental Funds

December 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 94,368	\$ 62,102
Taxes receivable	10,685	14,823
Due from intergovernmental	4,121	8,200
Due from others	-	200,000
Prepaid expenses	196	196
Security deposits	150	150
TOTAL ASSETS	<u>109,520</u>	<u>285,471</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 109,520</u>	<u>\$ 285,471</u>
LIABILITIES		
Liabilities		
Accounts payable	\$ 1,416	\$ 24,663
Unearned revenue	-	83,385
Payroll taxes payable	1,990	1,763
Total Liabilities	<u>3,406</u>	<u>109,811</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCES:		
Restricted	-	-
Assigned	42,042	16,347
Unassigned	64,072	159,313
Total Fund Balances	<u>106,114</u>	<u>175,660</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 109,520</u>	<u>\$ 285,471</u>

The accompanying notes are an integral part of the basic financial statements.

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ALLEN PARISH TOURIST COMMISSION

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

December 31, 2018

Total fund balance for governmental fund at December 31, 2018		\$ 106,114
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 109,831	
Museum Artifacts non-depreciable	12,936	
Construction in progress	187,076	
Capital assets, net of \$370,657 accumulated depreciation	<u>834,097</u>	<u>1,143,940</u>
Total net position of governmental activities at December 31, 2018		<u>\$1,250,054</u>

The accompanying notes are an integral part of the basic financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

ALLEN PARISH TOURIST COMMISSION

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Fund

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Hotel/Motel use tax	\$ 165,972	\$ 183,234
Interest	319	313
Intergovernmental	105,701	27,042
Grants	-	286,900
Miscellaneous income	2,557	13,375
TOTAL REVENUES	<u>274,549</u>	<u>510,864</u>
EXPENDITURES		
Current		
Advertising	137,231	67,562
Bank fees	-	4,166
Contract labor	573	-
Dues	2,488	761
Employee benefits	6,600	7,590
Insurance	4,203	9,987
Payroll taxes	6,387	7,643
Per diem - board members	3,800	3,650
Professional fees	9,205	8,105
Promotions	36,188	14,446
Rent	-	4,098
Repairs and maintenance	15,563	23,552
Salaries	83,489	78,515
Supplies	16,921	16,628
Telephone	6,212	6,973
Training and education	1,207	215
Travel	2,189	3,716
Utilities	11,839	19,152
Capital Outlay	-	90,640
TOTAL EXPENDITURES	<u>344,095</u>	<u>367,399</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(69,546)	143,465
FUND BALANCE - BEGINNING	<u>175,660</u>	<u>32,195</u>
FUND BALANCE - ENDING	<u>\$ 106,114</u>	<u>\$ 175,660</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH TOURIST COMMISSION

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

Year Ended December 31, 2018

Total net changes in fund balances at December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (69,546)
The change in net position reported for governmental activities in the Statement of Activities different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ -	
Depreciation expense for the year ended December 31, 2018	<u>(38,481)</u>	<u>(38,481)</u>
Total changes in net position at December 31, 2018 per Statement of Activities		<u>\$ (108,027)</u>

The accompanying notes are an integral part of the basic financial statements.

## ALLEN PARISH TOURIST COMMISSION

### Notes to Financial Statements

December 31, 2018

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Allen Parish Tourist Commission was created by the Allen Parish Police Jury under LSA-RS 33:4574. The Commission is governed by a board of seven commissioners who are appointed by the Allen Parish Police Jury. The Commission has as its purpose the promotion of tourism within Allen Parish.

The accounting and reporting policies of the Allen Parish Tourist Commission, conform to generally accepted accounting principles as applied to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, Audits of State and Local Governments. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### 1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Allen Parish Tourist Commission includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Tourist Commission.

As the governing authority, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury 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:

- I. Appointing a voting majority of an organization's governing body and
  - a. The ability of the Allen Parish Police Jury 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 Allen Parish Police Jury.
- II. Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury.
- III. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Allen Parish Tourist Commission is a component unit of the Allen Parish Police Jury's reporting entity.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

The accompanying basic financial statements of the Allen Parish Tourist Commission have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Allen Parish Tourist Commission as a whole. These statements include all the financial activities of the Allen Parish Tourist Commission's office. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Allen Parish Tourist Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include hotel/motel use tax. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The Allen Parish Tourist Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid managements by segregating transactions related to certain Allen Parish Tourist Commission functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Allen Parish Tourist Commission or its total assets, liabilities, revenues or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds. The major fund of the Allen Parish Tourist Commission is the General Fund. The Governmental Funds are described below:

General Fund:

The general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in another funds.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus/Basis of Accounting

The amounts reflected in the 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. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is the reconciled, through adjustment, to a government-wide view of Allen Parish Tourist Commission operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the governmental funds use the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Allen Parish Tourist Commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Those revenues susceptible to accrual are hotel/motel tax and interest.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time purchased.

When both restricted and unassigned resources are available for use, it is the Commission's policy to use restricted resources first, then unassigned resources as they are needed.

4. Cash

For reporting purposes, cash includes demand deposits, time deposits, and certificates of deposit. Under state law, the Allen Parish Tourist Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2018, the Commission has cash equivalents (book balances) totaling \$94,368 in interest-bearing demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting book balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 (GASB Category 3). At December 31, 2018, the Commission has \$99,054 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance

5. Budget

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. Expenditures may not legally exceed budgeted appropriations at the activity level.

The final budget for 2018 includes the original budget and one amendment during the year.

6. Accounts Receivable

Allen Parish Tourist Commission utilizes the allowance method to recognize doubtful accounts for taxes receivable. The allowance for doubtful accounts at December 31, 2018 was \$0.

Uncollectible amounts due for other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

7. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The Allen Parish Tourist Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Estimated Useful Lives</u>
Equipment	5-60 Years
Furniture & fixtures	7-60 Years
Buildings	40-60 Years
Improvements	15-60 Years

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

8 Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions. At December 31, 2018, \$42,042 was assigned to Kiosk development and Myths and Legends projects.
- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

9. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.



ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Subsequent Events

Management has evaluated subsequent events through June 17, 2019, the date the financial statements were available to be issued.

11. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations.

NOTE B - HOTEL/MOTEL TAXES

Allen Parish Tourist Commission is authorized to levy and collect a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Allen Parish Tourism Commission not to exceed three percent of the rent or fee charged for such occupancy.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets follows:

	12/31/17 <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	12/31/18 <u>Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land costs	\$ 109,831	\$ -	\$ -	\$ 109,831
Museum artifacts	12,936	-	-	12,936
Construction in progress	187,076	-	-	187,076
Other capital assets:				
Equipment	63,082	-	-	63,082
Furniture & fixtures	203,561	-	-	203,561
Buildings	829,219	-	-	829,219
Improvements	<u>108,892</u>	-	-	<u>108,892</u>
Total	<u>1,514,597</u>	<u>-</u>	<u>-</u>	<u>1,514,597</u>
Less: Accumulated Depreciation				
Equipment	36,395	5,545	-	41,940
Furniture & fixtures	58,720	12,665	-	71,385
Buildings	200,430	17,501	-	217,931
Improvements	<u>36,631</u>	<u>2,770</u>	-	<u>39,401</u>
Total	<u>332,176</u>	<u>38,481</u>	<u>-</u>	<u>370,657</u>
Net capital assets	<u>\$ 1,182,421</u>	<u>\$ 38,481</u>	<u>\$ -</u>	<u>\$ 1,143,940</u>

Depreciation expense in the amount of \$38,481 was charged to tourism administration. The Leatherwood Foundation donated a large number of small artifacts to the Commission during 2006. The Commission utilized certain experts to value many of the artifacts. Many of the artifacts were of nominal or indeterminable value. These items included newspaper clippings, photographs, scrapbooks, military medals, old dental paraphernalia, artwork, collectibles, and a myriad of smaller items. These items were not capitalized because there was neither a readily determinable market nor any practical valuation methods. The Commission has inventoried these items and they are on display in the museum.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2018

NOTE C - CAPITAL ASSETS – CONTINUED

Construction in progress at December 31, 2018 of \$187,076 represents cost for the Myths and Legends Byway project. The total final cost is expected to be \$550,000, funded mostly by state and local grants, with the Commission's cost expected to be \$30,000. Completion is expected in 2019.

NOTE D – COMPENSATED ABSENCES

Full time employees receive sick leave at a rate of 96 hours per year. Sick leave expires at the end of each fiscal year and has not been accrued in the financial statements. Full time employees also receive annual leave based upon length of employment. The annual leave becomes available to employees on the anniversary date of each work year. Annual leave is paid to employees upon termination of employment or retirement. Annual leave also expires at the end of each fiscal year and has not been accrued in the financial statements. Employees earn annual leave as follows:

1 Year	5 Days
2-9 Years	10 Days
10+ Years	15 Days

Accrued leave payable was \$0 for the year ended December 31, 2018.

NOTE E - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F – PER DIEM

Per diem paid commissioners for the year ended December 31, 2018 were as follows:

Mike Karam	\$	600
Betty Clement		500
Wilma Hargrove		600
Martha Turner		600
Keith Guillory		550
Glenn Bledsoe		450
Odessa House		500
		<u>500</u>
		<u>\$ 3,800</u>

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH TOURIST COMMISSION

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2018

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Hotel/Motel use tax	\$ 160,000	\$ 185,000	\$ 165,972	\$ (19,028)
Interest	100	100	319	219
Intergovernmental	150,000	62,000	105,701	43,701
Miscellaneous income	-	-	2,557	2,557
<b>TOTAL REVENUES</b>	<u>310,100</u>	<u>247,100</u>	<u>274,549</u>	<u>27,449</u>
<b>EXPENDITURES</b>				
Current				
Advertising	7,000	157,000	137,231	19,769
Bank fees	35	35	-	35
Contract labor	150,000	600	573	27
Dues	650	2,050	2,488	(438)
Employee benefits	3,510	7,100	6,600	500
Insurance	12,100	11,000	4,203	6,797
Payroll taxes	8,300	8,360	6,387	1,973
Per diem - board members	4,200	4,200	3,800	400
Professional fees	8,500	9,300	9,205	95
Promotions	11,400	36,400	36,188	212
Rent	1,500	1,560	-	1,560
Repairs and maintenance	8,000	13,550	15,563	(2,013)
Salaries	83,000	76,500	83,489	(6,989)
Supplies	22,300	21,200	16,921	4,279
Telephone	7,000	7,000	6,212	788
Training and education	100	1,300	1,207	93
Travel	3,000	2,500	2,189	311
Utilities	14,000	13,000	11,839	1,161
Capital Outlay	100	100	-	100
<b>TOTAL EXPENDITURES</b>	<u>344,695</u>	<u>372,755</u>	<u>344,095</u>	<u>28,660</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(34,595)	(125,655)	(69,546)	56,109
<b>FUND BALANCE - BEGINNING</b>				
	<u>175,660</u>	<u>175,660</u>	<u>175,660</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>				
	<u>\$ 141,065</u>	<u>\$ 50,005</u>	<u>\$ 106,114</u>	<u>\$ 56,109</u>

OTHER INFORMATION

ALLEN PARISH TOURIST COMMISSION

Schedule of Compensation, Benefits and Other Payments  
To Chief Executive Officer

Year Ended December 31, 2018

Chief Executive Officer: Adagria Haddock, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 37,920
Benefits-insurance(HSA)	3,600
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	749
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

# GRAGSON, CASIDAY & GUILLORY, LLP

Certified Public Accountants

RAYMOND GUILLORY, JR., C.P.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
GRAHAM A. PORTUS, E.A.  
KATHRYN BLESSINGTON, C.P.A.  
JACKLYN BARLOW, C.P.A.  
BRIAN MCCAIN, C.P.A.  
BLAKE MANUEL, C.P.A.

## 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

June 17, 2019

Allen Parish Tourist Commission  
Oberlin, 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 Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 17, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Allen Parish Tourist 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 the 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 Commission'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Allen Parish Tourist 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

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

**Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 Governmental Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable of any other purpose. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.





ALLEN PARISH TOURIST COMMISSION

Schedule of Findings and Responses

Year Ended December 31, 2018

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_yes      x no

Control deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_yes      x none reported

Noncompliance material to financial statements noted? \_\_\_yes      x no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

Finding #2017-001: Budgetary Authority and Control – Corrected satisfactorily.