

**ST. MARY PARISH
TOURIST COMMISSION**
St. Mary Parish, Louisiana

Financial Report

Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
St. Mary Parish Tourist Commission
St. Mary Parish, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Parish Tourist Commission (hereinafter "Commission"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United State of America require certain information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 budgetary

comparison schedules or the notes to the budgetary comparison schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Commission's 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 22, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Net Position
September 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 1,144,515
Investments	1,494,885
Due from other governmental units	103,025
Prepaid expenses	48,295
Capital assets:	
Land	49,696
Other, net of accumulated depreciation/amortization	<u>4,865,808</u>
 Total assets	 <u>7,706,224</u>
LIABILITIES	
Accounts, salaries, and other payables	6,179
Noncurrent liabilities	
Due within one year:	
Lease liability	3,045
Due in more than one year:	
Lease liability	<u>12,072</u>
 Total liabilities	 <u>21,296</u>
NET POSITION	
Net investment in capital assets	4,900,387
Restricted	692,823
Unrestricted	<u>2,091,718</u>
 Total net position	 <u><u>\$ 7,684,928</u></u>

The accompanying notes to financial statements are an integral part of this statement.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Activities
Year Ended September 30, 2023

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Fees, Commissions, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Culture and tourism	\$ 905,744	\$ 7,342	\$ 412,793	\$ (485,609)
Interest on debt	1,064	-	-	(1,064)
Total governmental activities	\$ 906,808	\$ 7,342	\$ 412,793	(486,673)
General revenues:				
Hotel-motel tax				552,327
Interest and investment earnings				68,495
Total general revenues				620,822
Change in net position				134,149
Net position - October 1, 2022				7,550,779
Net position - September 30, 2023				\$ 7,684,928

The accompanying notes to financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Balance Sheet
Governmental Funds
September 30, 2023

	General	Tourism and Economic Growth	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and interest bearing deposits	\$ 684,292	\$ 434,728	\$ 25,495	\$ 1,144,515
Investments	902,823	592,055	7	1,494,885
Due from other funds	358,797	-	-	358,797
Due from other governments	103,025	-	-	103,025
Total assets	<u>\$2,048,937</u>	<u>\$ 1,026,783</u>	<u>\$ 25,502</u>	<u>\$ 3,101,222</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$ 5,475	\$ 665	\$ -	\$ 6,140
Due to other funds	-	358,797	-	358,797
Total liabilities	<u>5,475</u>	<u>359,462</u>	<u>-</u>	<u>364,937</u>
Fund balances:				
Restricted	-	667,321	25,502	692,823
Unassigned	2,043,462	-	-	2,043,462
Total fund balances	<u>2,043,462</u>	<u>667,321</u>	<u>25,502</u>	<u>2,736,285</u>
Total liabilities and fund balances	<u>\$2,048,937</u>	<u>\$ 1,026,783</u>	<u>\$ 25,502</u>	<u>\$ 3,101,222</u>

(continued)

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Balance Sheet (continued)
Governmental Funds
September 30, 2023

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

Total fund balances for governmental funds at September 30, 2023		\$ 2,736,285
Cost of capital assets:		
Land	49,696	
Capital assets, net of accumulated depreciation/amortization	<u>4,865,808</u>	4,915,504
Prepaid expenses		48,295
Lease liability		(15,117)
Accrued interest payable		<u>(39)</u>
Net position at September 30, 2023		<u>\$ 7,684,928</u>

The accompanying notes to financial statements are an integral part of this statement.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2023

	General	Tourism and Economic Growth	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources-				
Hotel/Motel tax	\$ 552,327	\$ -	\$ -	\$ 552,327
Intergovernmental	4,200	408,593	-	412,793
Interest income	40,648	27,847	-	68,495
Miscellaneous income	7,342	-	-	7,342
Total revenues	604,517	436,440	-	1,040,957
Expenditures:				
Current-				
Culture and tourism				
Advertising and promotion	262,599	45,676	-	308,275
Office expense	148,763	-	-	148,763
Professional fees	18,535	-	-	18,535
Repairs and maintenance	34,403	-	-	34,403
Salaries and related benefits	216,758	-	-	216,758
Travel and conventions	14,393	-	-	14,393
Utilities	26,002	-	-	26,002
Capital outlay	16,142	-	-	16,142
Debt service -				
Principal and interest	1,025	-	-	1,025
Total expenditures	738,620	45,676	-	784,296
Excess (deficiency) of revenues over expenditures	(134,103)	390,764	-	256,661
Other financing sources (uses):				
Issuance of debt	16,142	-	-	16,142
Transfers in	358,797	-	-	358,797
Transfers out	-	(358,797)	-	(358,797)
Total other financing sources (uses)	374,939	(358,797)	-	16,142
Net changes in fund balances	240,836	31,967	-	272,803
Fund balances, beginning	1,802,626	635,354	25,502	2,463,482
Fund balances, ending	\$ 2,043,462	\$ 667,321	\$ 25,502	\$ 2,736,285

(continued)

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Governmental Funds
Year Ended September 30, 2023

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

Total net changes in fund balance for the year ended September 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 272,803
Cost of capital outlay	(16,142)
Depreciation expense	(174,429)
Amortization expense	(1,015)
Principal and Interest	1,025
Change in accrued interest	(39)
Issuance of debt	16,142
Change in prepaid expense	<u>35,804</u>
Total changes in net position for the year ended September 30, 2023 per Statement of Activities	<u>\$ 134,149</u>

The accompanying notes to financial statements are an integral part of this statement.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The St. Mary Parish Tourist Commission (the Commission) was created and established on October 23, 1991 by Ordinance 1151 of the St. Mary Parish Council under authority of Act 19 of the Louisiana Legislature of 1975, to be effective February 1, 1992. The Commission is comprised of nine directors, appointed by the St. Mary Parish Council for terms of three years, with three appointments expiring each year, and who serve without compensation. The Commission was formed for the purpose of promoting tourism within the Parish of St. Mary. The Commission has the authority to sue and be sued, to accept grants or donations of every type, to make capital improvements for the purpose of obtaining federal funds, to do all things necessary for promotion, advertisement and publication of information relating to tourist attractions within its jurisdiction. Act 19 as amended, authorized the governing authority of St. Mary Parish to levy and collect a tax not to exceed 4% of the rent or fee for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Commission to fund the operations of the Commission.

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, the *Louisiana Governmental Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Government is the financial reporting entity for the St. Mary Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the St. Mary Parish Government for financial reporting purposes. The St. Mary Parish Council appoints a voting majority of the Commission's governing body and can impose its will on the Commission. Based on criterion applied, the Commission is a component unit of St. Mary Parish Government. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the St. Mary Parish Council, the general government services provided by the Government, or the other governmental units that comprise the financial reporting entity for St. Mary Parish, Louisiana.

The Commission has no entities or organizations that are required to be included in its financial report as defined by Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the Commission. The effect of interfund activity has been removed from these statements. Both the government-wide and the fund financial statements categorize primary activities as governmental.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Commission as a whole. These statements include all the financial activities of the Commission. 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 nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for the 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 (a) fees and charges paid by the recipients of services offered by the Commission, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain 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 Commission or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The general fund and special revenue fund of the Commission are considered to be major funds. The funds of the Commission are described below:

Governmental Funds –

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Tourism and Economic Growth Special Revenue Fund

The Fund is used to account for the proceeds of specific revenue sources, the expenditures for which are legally restricted for purposes specified by law.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

Economic Development Bonds, Debt Service Sinking Fund

The Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Economic Development Bonds, Capital Projects Fund

The Fund accounts for the resources to be used for the acquisition or construction of major capital facilities.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Hotel/Motel occupancy taxes are recognized in the year when the underlying exchange takes place. Grants and similar items are recognized as revenues in the year for which they are earned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Hotel/Motel tax revenue is recognized both when the underlying exchange takes place and in the accounting period in which the revenue becomes susceptible to accrual, when it is measurable and available. Interest income is recorded when received by the Commission.

D. Capital Assets

All capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Building improvements	20 years
Vehicles	7 years
Office equipment	7 years
Furniture, fixtures, and equipment	3-7 years
Machinery and equipment	5 years
Computers	3 years

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

E. Interfund Activity

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Interfund receivables and payables are eliminated in the statement of net position.

Permanent allocations of resources between funds of the reporting entity are classified as interfund transfers. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. For the purpose of the statement of activities, all interfund transfers between governmental funds have been eliminated.

F. Vacation and Sick Leave

Vacation is provided to all full-time employees and is earned based on length of service. Employees with one to five years of service earn two calendar weeks (ten working days). Employees with six to fifteen years of service earn three calendar weeks (fifteen working days). Employees with sixteen or more years of service earn four calendar weeks (twenty working days). Vacation is recorded as an expenditure of the period in which it is paid. It is the policy of the Commission to allow full-time employees no more than five unused vacation days to be carried over to the following calendar year or to be paid in full at the end of that calendar year. At September 30, 2023, unrecorded liability for accumulated vacation is immaterial. Upon termination, an employee will be paid for any unused accumulated vacation leave. The Commission allows employees to accumulate unused sick leave benefits. Sick leave is not payable at termination of employment.

G. Interest-Bearing Deposits

Interest bearing deposits include demand deposits, money market accounts and time deposits, which are stated at cost.

H. Investments

Under state law, the Commission may invest in Louisiana Asset Management Pool (LAMP), United States bonds, treasury notes, or certificates. Investments are valued in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*.

I. Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Commission considers restricted resources to have been spent first.

Fund financial statements

Fund balance for the Commission’s governmental funds is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Commission. Commitments may be established, modified, or rescinded only through formal actions of the Board of Commissioners.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission’s policy, only the Board of Commissioners may assign amounts for specific purposes.
5. Unassigned - amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(2) Cash and Interest-bearing Deposits

Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Commission may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2023, the Commission has cash and interest-bearing deposits (book balances) totaling \$1,144,515 as follows:

Cash on hand	\$ 100
Demand deposits	1,104,987
Interest-bearing deposits	<u>39,428</u>
Total	<u>\$ 1,144,515</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2023, deposit balances (bank balances) totaling \$1,152,671 are secured as follows:

Federal deposit insurance	\$ 289,428
Pledged securities	<u>863,244</u>
Total	<u>\$ 1,152,672</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Commission's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Commission has not formally adopted policies that limit allowable deposits or investments and address the specific type of risk to which the Commission is exposed. There are no policies formally adopted to monitor or attempt to reduce exposure to custodial credit risk. At September 30, 2023, deposits in the amount of \$863,244 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not the Commission's name.

(3) Investments

Investments held at September 30, 2023 consist of \$1,494,885 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

GASB Statements No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investments pools:

Credit risk – LAMP is rated AAAM by Standard & Poor’s.

Custodial credit risk – LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign currency risk – not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Fair Value Measurements

To the extent available, the Commission’s investments are recorded at fair value as of September 30, 2023. GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Commission measures and records its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1 – quoted prices for identical investments in active markets
- Level 2 – observable inputs other than quoted market prices
- Level 3 – unobservable inputs

The Commission’s investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(4) Due From Other Governmental Units

Hotel/Motel tax revenues and receivables are recognized when the underlying exchange (room rental) takes place. At September 30, 2023, amounts due from other governments consists of \$101,574 due from the St. Mary Parish Sales and Use Tax Department and \$1,451 due from the Chitimacha Tribe of Louisiana.

(5) Capital Assets

Capital assets and depreciation activity as of and for the year ended September 30, 2023 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 49,696	\$ -	\$ -	\$ 49,696
Capital assets being depreciated:				
Buildings	5,953,290	-	-	5,953,290
Improvements other than buildings	275,265	-	-	275,265
Furniture and office equipment	73,228	-	-	73,228
Exhibits and kiosks	19,809	-	-	19,809
Total being depreciated	<u>6,321,592</u>	<u>-</u>	<u>-</u>	<u>6,321,592</u>
Less accumulated depreciation:				
Buildings	(1,104,186)	(148,950)	-	(1,253,136)
Improvements other than buildings	(124,711)	(18,032)	-	(142,743)
Furniture and office equipment	(52,729)	(6,457)	-	(59,186)
Exhibits and kiosks	(14,856)	(990)	-	(15,846)
Total accumulated depreciation	<u>(1,296,482)</u>	<u>(174,429)</u>	<u>-</u>	<u>(1,470,911)</u>
Intangible right-to-use assets:				
Office equipment	16,142	-	-	16,142
Less: Accumulated amortization	<u>-</u>	<u>(1,015)</u>	<u>-</u>	<u>(1,015)</u>
Intangible right-to-use asset, net	<u>16,142</u>	<u>(1,015)</u>	<u>-</u>	<u>15,127</u>
Capital assets, net	<u>\$ 5,090,948</u>	<u>\$ (175,444)</u>	<u>\$ -</u>	<u>\$ 4,915,504</u>

Depreciation/amortization expense in the amount of \$175,444 was charged to culture and tourism.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(6) Leases

In accordance with GASBS No. 87, the Commission recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. During the year ended September 30, 2023, the Commission entered into two agreements underlying the lease assets having terms of 60 and 63 months with an intangible right to use office equipment.

The following is a summary of changes in the lease liability for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liability	\$ -	\$ 16,142	\$ (1,025)	\$ 15,117	\$ 3,045

Lease liability reductions are liquidated by the Commission's general fund.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. For purposes of discounting future payments on the lease, the Commission used the incremental borrowing rate (IBR) of 2.7% and 2.4%. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Lease assets are reported with capital assets on the statement of net position. The leased equipment and accumulated amortization of the right-to-use asset is outlined in Note 5.

Minimum lease payments through the lease term are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 3,045	\$ 368	\$ 3,413
2025	3,127	286	3,413
2026	3,211	202	3,413
2027	3,298	115	3,413
2028	2,436	30	2,466
	\$ 15,117	\$ 1,001	\$ 16,118

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(7) 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, and natural disasters. The Commission has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2023. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(8) Retirement Plan

All Commission employees are covered under the Federal Insurance Contribution Act (Social Security). In addition, qualified employees also belong to a SEP/IRA Retirement Plan. The Commission contributed 12% of the gross wages of each qualified employee to their individual SEP/IRA Retirement Plan account for the year ended September 30, 2023. The Commission's contributions to the above plans totaled approximately \$14,865, \$11,710, and \$11,710 for the years ended September 30, 2023, 2022, and 2021, respectively. There were no unfunded contributions at year-end.

(9) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds are presented as follows:

	<u>General</u>	<u>Tourism and Economic Growth</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for -				
Culture and tourism	\$ -	\$ 667,321	\$ -	\$ 667,321
Debt service	-	-	2,642	2,642
Capital projects	-	-	22,860	22,860
Total fund balances - restricted	<u>-</u>	<u>667,321</u>	<u>25,502</u>	<u>692,823</u>
Unassigned	<u>2,043,462</u>	<u>-</u>	<u>-</u>	<u>2,043,462</u>
Total fund balances	<u>\$ 2,043,462</u>	<u>\$ 667,321</u>	<u>\$ 25,502</u>	<u>\$ 2,736,285</u>

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(10) Compensation of Board Members

Board members during the year ended September 30, 2023 served without compensation and are as follows:

Kimberly Walden, Chair	Nelson Cortez, Treasurer	Ed Verdin
Sandra Marshall, Vice Chair	Dwight Smith	Patsy Powell
Herman Hartman, Secretary	Alfredia Edwards	Chad Boutte

(11) Compensation and Other Payments to Executive Director

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Expenses paid to Carrie Stansbury, Executive Director, for the year ended September 30, 2023, are as follows:

Salary	\$	63,584
Benefits-insurance		13,068
Benefits-retirement		7,065
Car and cell phone allowance		1,925
Reimbursements		61
Total	\$	<u>85,703</u>

(12) New Accounting Pronouncements

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the Commission's financial report:

GASB Statement 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The standard is effective for annual reporting periods beginning after June 15, 2023. The effect of implementation on the Commission's financial statements has not yet been determined.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard is effective for annual reporting periods beginning after December 15, 2023. The effect of implementation on the Commission's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2023

	Budget		Actual (Non-GAAP Basis)	Variance - Favorable (Unfavorable)
	Original	Amended		
Revenues:				
Local sources-				
Hotel/Motel tax	540,000	554,050	554,050	-
Intergovernmental	261,078	4,200	4,200	-
Interest income	14,400	40,648	40,648	-
Miscellaneous income	3,300	6,538	7,342	804
Total revenues	<u>818,778</u>	<u>605,436</u>	<u>606,240</u>	<u>804</u>
Expenditures:				
Current-				
Culture and tourism				
Advertising and promotion	361,473	262,599	262,599	-
Office expense	95,249	149,788	148,763	1,025
Professional fees	12,570	18,535	18,535	-
Repairs and maintenance	27,077	34,403	34,403	-
Salaries and related benefits	231,976	216,759	216,758	1
Travel and conventions	13,500	14,393	14,393	-
Utilities	29,380	26,002	26,002	-
Capital outlay	5,000	-	-	-
Debt Service	-	-	1,025	(1,025)
Total expenditures	<u>776,225</u>	<u>722,479</u>	<u>722,478</u>	<u>1</u>
Net change in fund balance	42,553	(117,043)	(116,238)	805
Fund balance, beginning	<u>1,750,654</u>	<u>1,750,654</u>	<u>1,750,654</u>	-
Fund balance, ending	<u>\$ 1,793,207</u>	<u>\$ 1,633,611</u>	<u>\$ 1,634,416</u>	<u>\$ 805</u>

See independent auditor's report and notes to budgetary comparison schedules.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Budgetary Comparison Schedule
Tourism and Economic Growth Fund
Year Ended September 30, 2023

	Budget		Actual (Non-GAAP Basis)	Variance - Favorable (Unfavorable)
	Original	Amended		
Revenues:				
Local sources-				
Intergovernmental	\$ 476,000	\$ 24,494	\$ 24,000	\$ (494)
Interest income	12,000	27,847	27,847	-
Miscellaneous income	<u>192,756</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	<u>680,756</u>	<u>54,341</u>	<u>51,847</u>	<u>(2,494)</u>
Expenditures:				
Current-				
Culture and tourism				
Advertising and promotion	<u>380,756</u>	<u>47,011</u>	<u>46,341</u>	<u>670</u>
Excess of revenues over expenditures	300,000	7,330	5,506	(1,824)
Other financing uses:				
Operating transfers out	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	7,330	5,506	(1,824)
Fund balance, beginning	<u>980,932</u>	<u>980,932</u>	<u>980,932</u>	<u>-</u>
Fund balance, ending	<u>\$ 980,932</u>	<u>\$ 988,262</u>	<u>\$ 986,438</u>	<u>\$ (1,824)</u>

See independent auditor's report and notes to budgetary comparison schedules.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Budgetary Comparison Schedules

(1) Basis of Accounting

The budgets are not adopted on a basis consistent with generally accepted accounting principles in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the board of commissioners.

(2) Budgets and Budgetary Accounting

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Executive Director of the Commission prepares a proposed budget for the general and special revenue funds and submits them to the board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. The Commission approves and adopts total budget revenue and expenditures only. The Commission transfers budget amounts between expenditure classifications within the General and Special Revenue Funds.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Level of budgetary control is exercised at the fund level.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Budgetary Comparison Schedules (continued)

(3) Non-GAAP Reporting Reconciliation

Budgetary amounts are adopted by the Commission on the cash basis.

Actual amounts are reconciled on a non-GAAP basis for comparison to budget as follows:

General Fund-

	As Reported	Adjustment to Budgetary Basis	Non-GAAP Basis
Revenues:			
Local Sources-			
Hotel/Motel tax	552,327	1,723	554,050
Intergovernmental	4,200	-	4,200
Interest income	40,648	-	40,648
Miscellaneous income	7,342	-	7,342
Total revenues	\$ 604,517	\$ 1,723	\$ 606,240
Expenditures:			
Current -			
Culture and tourism			
Advertising and promotion	\$ 262,599	\$ -	\$ 262,599
Office expense	148,763	-	148,763
Professional fees	18,535	-	18,535
Repairs and maintenance	34,403	-	34,403
Salaries and related benefits	216,758	-	216,758
Travel and conventions	14,393	-	14,393
Utilities	26,002	-	26,002
Capital outlay	16,142	(16,142)	-
Debt Service	1,025	-	1,025
Total expenditures	\$ 738,620	\$ (16,142)	\$ 722,478
Other financing sources:			
Issuance of debt	16,142	(16,142)	-
Operating transfers in	358,797	(358,797)	-
	\$ 374,939	\$ (374,939)	\$ -

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Budgetary Comparison Schedules (continued)

Tourism and Economic Growth Fund-

	As Reported	Adjustment to Budgetary Basis	Non-GAAP Basis
Revenues:			
Local Sources-			
Intergovernmental	\$ 408,593	\$ (384,593)	\$ 24,000
Interest income	27,847	-	27,847
Total revenues	\$ 436,440	\$ (384,593)	\$ 51,847
Expenditures:			
Current -			
Culture and tourism			
Advertising and promotion	\$ 45,676	\$ 665	\$ 46,341
Other financing uses:			
Operating transfers out	\$ (358,797)	\$ 358,797	\$ -

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Commissioners
St. Mary Parish Tourist Commission
St. Mary Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Parish Tourist Commission (hereinafter “Commission”), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated March 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing 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. We identified certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2023-001 and 2023-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 other matters that are required to be reported under *Government Auditing Standards*.

Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the findings identified in our audit and described in the accompanying schedule of audit results and findings. The Commission's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 22, 2024

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023

A. Internal Control

2022-001 – Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CURRENT STATUS: See schedule of audit results and findings item 2023-001.

2022-002 – Financial Reporting (Application of Generally Accepted Accounting Principles)

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

CURRENT STATUS: See schedule of audit results and findings item 2023-002.

B. Compliance

No findings were reported under this section.

C. OMB Uniform Guidance

Not applicable in the prior year.

D. Management Letter

Not issued in prior period.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Schedule of Audit Results and Findings
Year Ended September 30, 2023

Part I. Summary of Audit Results

Financial Statements

1. Type of auditor's report issued on financial statements:

Opinion Unit	Type of Opinion
Governmental activities	Unmodified
Major funds:	
General	Unmodified
Tourism and Economic Growth	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	<u> ✓ </u>	yes	<u> </u>	no
Significant deficiency(ies) identified?	<u> </u>	yes	<u> ✓ </u>	none reported

3. Noncompliance material to the financial statements?

<u> </u>	yes	<u> ✓ </u>	no
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Other

4. Management letter issued?

<u> </u>	yes	<u> ✓ </u>	no
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ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended September 30, 2023

Part II. Findings required to be reported in accordance with *Government Auditing Standards*

A. Internal Control

2023-001 – Inadequate Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Commission’s internal control over financial reporting includes those policies and procedures that pertain to the Commission’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended September 30, 2023

2023-002 – Financial Reporting (Application of Generally Accepted Accounting Principles)

Year Initially Occurring: 2012

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

CRITERIA: The Commission's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements and to apply GAAP in the preparation of those financial statements and related disclosures.

CAUSE: The condition results from the relatively small size of the Commission and the increased costs of hiring personnel to prepare GAAP-based financial statements.

EFFECT: GAAP-based financial statements, as applicable to governmental entities, are not prepared by the Commission.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

B. Compliance

No findings are reported under this section.

Part III: Findings and questioned costs for federal awards reported in accordance with the Uniform Guidance

The requirements of the Uniform Guidance are not applicable.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Corrective Action Plan for Current Audit Findings
Year Ended September 30, 2023

2023-001 - Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Due to the size of the operation and the cost-benefit of additional personnel, we were advised that a response to this issue is not required.

2023-002 - Financial Reporting (Application of Generally Accepted Accounting Principles)

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

MANAGEMENT'S RESPONSE: The Board of Commissioners continues to evaluate the cost-benefit of outsourcing the preparation of the Commission's financial statements to its independent auditors rather than incur the costs to employ someone to prepare GAAP-based financial statements and have determined that it would be more cost effective to outsource the preparation of the Commission's financial statements. We will review the financial statements, related notes, and any supplementary information prior to accepting responsibility for their presentation and content.

**ST. MARY PARISH
TOURIST COMMISSION**

Statewide Agreed-Upon Procedures

Fiscal period October 1, 2022 through September 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Board of Commissioners
St. Mary Parish Tourist Commission, and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. The management of the St. Mary Parish Tourist Commission (hereinafter "Commission") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that the Commission has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, this report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions, if any, are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the subcategories above.

- ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the subcategories above.

- iii. **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the subcategories above.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and address the subcategories above.
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures were obtained and address the subcategories above.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and address the subcategories above.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and address the subcategories above.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Written policies and procedures were obtained and address the subcategories above.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Written policies and procedures were obtained and address the subcategories above.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Written policies and procedures were obtained and address the subcategories above.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Written policies and procedures were obtained and address the subcategories above.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Written policies and procedures were obtained and address the subcategories above.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- Obtained and inspected minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period.*
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- The Commission did not meet during three (3) months of the fiscal period due to lack of quorum.*
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
- No exceptions were found as a result of this procedure.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- Not applicable - The general fund did not have a negative unassigned fund balance in the prior year audit report.*
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
- Not applicable - No prior year audit findings requiring corrective action plan.*

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- Obtained a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account and the three (3) additional accounts which are a part of the Commission's daily business operation were selected. Obtained and inspected the corresponding bank statements and reconciliations for each account.*
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- No exceptions were found as a result of this procedure.*

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No documentation that management has researched reconciling items that have been outstanding for more than 12 months for two (2) of the four (4) accounts.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Selected the Commission's one (1) deposit site.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained a listing of collection locations for the Commission's deposit site and management's representation that the listing is complete. Selected the Commission's one (1) collection location and inquired of employees about their job duties.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions were found as a result of this procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Obtained from management a copy of the insurance policy for theft covering all employees who have access to cash and observed that the insurance policy for theft was enforced during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

Randomly selected two (2) deposit dates and obtained documentation for the three (3) deposits. Two (2) of the four (4) accounts selected in procedure #3A above did not maintain any deposits during the fiscal period.

- i. Observe that receipts are sequentially pre-numbered.
Receipts are not sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions were found as a result of this procedure.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions were found as a result of this procedure.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exceptions were found as a result of this procedure.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions were found as a result of this procedure.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete. Selected the Commission's one (1) location.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Obtained a listing of employees involved in non-payroll purchasing and payment functions and obtained written policies and procedures relating to employee job duties.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions were found as a result of this procedure.
- ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions were found as a result of this procedure.
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions were found as a result of this procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

The employee responsible for processing payments is also responsible for mailing payments.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

Obtained the non-payroll disbursement population and management's representation that the population is complete. Randomly selected five (5) non-payroll disbursements and obtained supporting documentation.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

One (1) of the five (5) non-payroll disbursements selected did not included evidence of segregation of duties, as applicable.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards, including the card numbers, the names of the persons who maintained possession of the cards, and management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

Selected the two (2) credit cards used by the Commission during the period and one (1) monthly statement.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and
No exceptions were found as a result of this procedure.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions were found as a result of this procedure.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
No exceptions were found as a result of this procedure.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing is complete. Randomly selected five (5) reimbursements.
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions were found as a result of this procedure.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions were found as a result of this procedure.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
No exceptions were found as a result of this procedure.
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions were found as a result of this procedure.

8) *Contracts*

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) contracts.*
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
No exceptions were found as a result of this procedure.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions were found as a result of this procedure.
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions were found as a result of this procedure.
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions were found as a result of this procedure.

9) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- Obtained a listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) employees or officials and agreed paid salaries to authorized salaries/pay rates in personnel files with no exceptions.*
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
No exceptions were found as a result of this procedure.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions were found as a result of this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Obtained management's representation that there were no termination payments made during the fiscal period.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Obtained management's representation that all amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

One (1) of the five (5) selected employees from procedure #9A did not complete one hour of ethics training during the calendar year.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable- There were no changes to the Commission's ethics policy during the fiscal period.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of this procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Obtained management's representation that no bonds/notes were issued and one (1) other debt instrument was issued during the fiscal period. However, the other debt instrument did not require approval of the State Bond Commission in accordance with RS 39:1410.60.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Obtained management's representation that no bonds/notes were outstanding at the end of the fiscal period.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Obtained management's representation that there were no misappropriations of public funds and assets during the fiscal period.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Two (2) of the five (5) selected employees from procedure #9A did not complete at least one hour of sexual harassment training during the calendar year.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The Commission did not have its sexual harassment policy and complaint procedure posted on its website or premises.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The annual report required by R.S. 42:344 was not compiled. Therefore, the procedures below are not applicable.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Management's Response

The Commission concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable provisions of *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the Commission's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 22, 2024