

**ST. TAMMANY PARISH TOURIST AND
CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Annual Financial Statements

May 31, 2020



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Independent Auditor's Report

St. Tammany Parish Tourist and Convention Commission
St. Tammany Parish, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Tammany Parish Tourist and Convention Commission (the Commission), as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Report

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of May 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 and budgetary comparison information on page 25, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of governing board and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2020, 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, 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
October 8, 2020

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

As management of the St. Tammany Parish Tourist and Convention Commission (the Commission), we offer this narrative overview and analysis of the Commission's financial activities for the fiscal year ended May 31, 2020. All amounts, unless otherwise indicated, are expressed in whole dollars.

The management's discussion and analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of the greater whole. The readers of these statements should take time to read and evaluate all sections of this report, including the footnotes and the required and other supplementary information that are provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities on pages 8 and 9, respectively, provide information about the activities of the Commission as a whole. Fund financial statements begin on page 11. The Commission's operations are conducted through the General Fund.

A summary of the basic government-wide financial statements is as follows:

STATEMENTS OF NET POSITION SUMMARY

	2020	2019
Assets		
Cash and Cash Equivalents	\$ 87,539	\$ 129,063
Investments	3,063,482	3,059,959
Prepaid Expenses	53,655	40,838
Receivables	134,230	145,802
Capital Assets (Net of Accumulated Depreciation)	379,787	428,457
Total Assets	3,718,693	3,804,119
Liabilities		
Accounts Payable	34,264	37,665
Accrued Liabilities	7,082	1,458
Compensated Absences	42,324	40,703
Total Liabilities	83,670	79,826
Net Position		
Net Investment in Capital Assets	379,787	428,457
Unrestricted	3,255,236	3,295,836
Total Net Position	\$ 3,635,023	\$ 3,724,293

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

STATEMENTS OF ACTIVITIES SUMMARY

	2020	2019
Revenues		
Program Revenues		
Grant Revenue	\$ -	\$ 102,869
General Revenues		
Sales Taxes		
Local Collections	1,423,379	1,570,992
State Appropriation	464,875	465,658
Miscellaneous	33,733	23,354
Interest Income	57,629	74,636
Total Revenues	1,979,616	2,237,509
Expenses		
Promotion of Tourism	2,068,886	2,423,956
Total Expenses	2,068,886	2,423,956
Change in Net Position	\$ (89,270)	\$ (186,447)

BUDGETARY HIGHLIGHTS

The actual General Fund revenues exceeded the budgeted amount by \$28,316. The actual General Fund expenditures were less than budgeted by \$699,035.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Commission has the authority to levy 3% hotel occupancy tax. An increase in the tax is not anticipated for 2021.

CAPITAL ASSETS

During the year ended May 31, 2020, net capital assets decreased by \$48,670, which was solely made up of depreciation.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Donna O'Daniels, President/CEO, 68099 Hwy. 59, Mandeville, Louisiana 70471.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
 ST. TAMMANY PARISH, LOUISIANA
 Statement of Net Position
 May 31, 2020

Statement A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 87,539
Investments	3,063,482
Prepaid Expenses	53,655
Receivables	134,230
Capital Assets, Net	<u>379,787</u>
Total Assets	<u>3,718,693</u>
Liabilities	
Accounts Payable	34,264
Accrued Liabilities	7,082
Compensated Absences	<u>42,324</u>
Total Liabilities	<u>83,670</u>
Net Position	
Net Investment in Capital Assets	379,787
Unrestricted	<u>3,255,236</u>
Total Net Position	<u><u>\$ 3,635,023</u></u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
 ST. TAMMANY PARISH, LOUISIANA
 Statement of Activities
 For the Year Ended May 31, 2020

Statement B

Functions / Programs	Expenses	Program Revenues Operating Grants	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental Activities			
Promotion of Tourism	\$ 2,068,886	\$ -	\$ (2,068,886)
Total Governmental Activities	\$ 2,068,886	\$ -	(2,068,886)
General Revenues			
Sales Taxes			1,423,379
Local Collections			464,875
State Appropriation			33,733
Miscellaneous Income			57,629
Interest Income			57,629
Total General Revenues			1,979,616
Change in Net Position			(89,270)
Net Position, Beginning of Year			3,724,293
Net Position, End of Year			\$ 3,635,023

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
GOVERNMENTAL FUND FINANCIAL STATEMENTS**

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
 ST. TAMMANY PARISH, LOUISIANA
 Balance Sheet
 Governmental Fund
 May 31, 2020

Statement C

	General Fund
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Assets	
Cash and Cash Equivalents	\$ 87,539
Investments	3,063,482
Prepaid Expenses	53,655
Receivables	<u>134,230</u>
Total Assets	<u>\$ 3,338,906</u>
 Liabilities and Fund Balance	
Liabilities	
Accounts Payable	\$ 34,264
Accrued Liabilities	<u>7,082</u>
Total Liabilities	<u>41,346</u>
 Fund Balance	
Nonspendable	53,655
Committed for:	
Emergency Operations	1,059,091
Unassigned	<u>2,184,814</u>
Total Fund Balance	<u>3,297,560</u>
Total Liabilities and Fund Balance	<u>\$ 3,338,906</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
 ST. TAMMANY PARISH, LOUISIANA
 Reconciliation of the Governmental Fund Balance Sheet to the
 Government-Wide Statement of Net Position
 May 31, 2020

Statement D

Fund Balance - Total Governmental Fund	\$ 3,297,560
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:

Governmental Capital Assets	1,203,322
Less: Accumulated Depreciation	(823,535)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental fund:

Compensated Absences	<u>(42,324)</u>
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Net Position of Governmental Activities	<u><u>\$ 3,635,023</u></u>
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The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended May 31, 2020

Statement E

	General Fund
Revenues	
Sales Taxes	
Local Collections	\$ 1,423,379
State Appropriation	464,875
Interest Income	57,629
Miscellaneous Income	33,733
	<hr/>
Total Revenues	1,979,616
	<hr/>
Expenditures	
Tourism	
Personnel	
Salaries, Payroll Taxes, and Fringe Benefits	796,296
Marketing and Promotion	
Advertising	629,274
Brochures	99,700
Special Promotions	99,217
Research and Development	57,753
Travel	49,607
Dues and Subscriptions	45,971
Telephone	27,540
Postage and Shipping	14,798
Trade Shows	13,429
Auto Expenses	6,136
Training	3,512
Uniforms	149
General and Administrative	
Insurance	56,222
Repairs and Maintenance	29,148
Professional Fees	28,770
Office Supplies	23,237
Rent	13,276
Utilities	11,538
Equipment Rental	8,471
Auto Expenses	3,035
Official Notice Publication	1,516
	<hr/>
Total Expenditures	2,018,595
	<hr/>
Net Change in Fund Balance	(38,979)
Fund Balance, Beginning of Year	3,336,539
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Fund Balance, End of Year	\$ 3,297,560
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The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to the
Government-Wide Statement of Activities
For the Year Ended May 31, 2020

Statement F

Net Change in Fund Balance - Total Governmental Fund	\$ (38,979)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation exceeded capital outlay.	(48,670)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:

Change in Compensated Absences	<u>(1,621)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (89,270)</u></u>
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The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Introduction

The mission of the St. Tammany Parish Tourist and Convention Commission (the Commission) is to promote and develop tourism within St. Tammany Parish (the Parish). It operates two tourist information centers within the Parish and employs a staff of approximately 12 employees who coordinate advertisements and promotion of tourism for the Parish. The Commission's significant accounting policies are described below.

Reporting Entity

The Commission was created in 1976, by Ordinance 674 of St. Tammany Parish. It was re-established as a separate political body under the provisions of Act 47 of the 1995 regular session of the Louisiana Legislature. The Commission is governed by a Board of Commissioners that is appointed by the Parish. The Commission consists of seven commissioners. Six of the members serve terms of three years with the seventh commissioner serving a term of one year to be alternately appointed from the eastern and western corridors of the Parish.

Based on the criteria set forth in Section 2100 of Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, the Commission is not considered a component unit of St. Tammany Parish, nor does the Commission have any component units.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in two parts: net investment in capital assets and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other items not properly included among program revenues are reported instead as general revenues.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on the major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or the 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 is the primary operating and sole fund of the Commission. It accounts for all the financial transactions and is classified as a governmental fund type. The focus of the governmental fund's measurement is upon the determination of financial position and changes in financial position rather than upon net income.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental activities in 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period.

For this purpose, the 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. However, compensated absences are recorded when paid.

Sales tax revenues are collected by the St. Tammany Parish Sheriff and are remitted to the Commission monthly. Taxes are remitted in the month following collection and are considered measurable at the month of collection. Accordingly, sales taxes collected in May 2020 and remitted in June 2020, have been reported as a receivable.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Each state fiscal year, the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to tourist and convention commissions throughout the state to be used for tourism development, including support for historic preservation and arts and humanities. The amount appropriated by the state is limited to state sales taxes on hotels and motels within St. Tammany Parish. The amounts appropriated by the state have been recorded in these financial statements. Payments are made quarterly.

Budgets and Budgetary Accounting

The Commission has adopted a budget for its General Fund. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Commission. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted amounts, which are not expended or obligated through contracts, lapse at year-end. The Commission's budget is materially consistent with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Cash and cash equivalents consist of cash, as defined above.

Investments, as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, are reported at fair value.

Receivables

The Commission closely monitors outstanding accounts receivable balances and writes off to expense any balances that are determined to be uncollectible. At May 31, 2020, the Commission considered all remaining accounts receivable balances to be fully collectible. Accordingly, there was no allowance for doubtful accounts. Bad debt expense was \$-0- for the year ended May 31, 2020.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include building, improvements, furniture and fixtures, computers, and other assets, are reported in the government-wide financial statements. Capital assets are recorded at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation of all exhaustible capital assets is charged as an expense against the Commission's operations. In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, if applicable. All capital assets are depreciated using the straight-line method over the following useful lives:

Description	Estimated Useful Lives
Buildings and Improvements	10 - 30 Years
Furniture and Fixtures	7 Years
Computers and Software	5 - 12 Years
Other	5 - 12 Years

Compensated Absences

Employees accrue vacation leave at the rate of 5 to 20 days per anniversary year, according to years of service with the Commission. Employees may carry over a maximum of 10 unused vacation days after their anniversary date into the next year. Employees accrue sick leave at the rate of eight hours for each full calendar month of continuous employment. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At May 31, 2020, the Commission had accrued compensated absences payable of \$42,324, which has been reported on the statement of net position. Accrued compensated absences payable increased by \$1,621 during the year ended May 31, 2020.

Fund Equity

Government-wide equity is classified as net position and displayed in two components:

1. Net Investment in Capital Assets - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. Unrestricted - All other net position is reported in this category.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - Amounts that cannot be spent because they are in nonspendable form.
2. Committed Fund Balance - Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners.
3. Unassigned Fund Balance - All amounts not included in other spendable classifications.

The Commission considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purpose and how those activities should be reported. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 84 to reporting periods beginning after December 15, 2019.

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Management is still evaluating the potential impact of adoption on the Commission's financial statements. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021.

Change in Fiscal Year End

On April 28, 2020 the Board of Commissioners voted to change the Commission's fiscal year end to December 31st. This will go into effect on December 31, 2020, resulting in a fiscal period of 7 months for the year ended December 31, 2020.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at May 31, 2020:

Demand Deposits	<u>\$ 87,539</u>
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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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be recovered. The Commission does not have a deposit policy for custodial credit risk. As of May 31, 2020, the Commission had \$149,550 in deposits (collected bank balances) which were fully covered by federal deposit insurance.

Note 3. Investments

At May 31, 2020, the Commission had investments of \$3,063,482, which are invested in Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

LAMP is administered by Louisiana Asset Management Pool, Inc. (LAMP, Inc.), a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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 Louisiana Revised Statute 33:2955.

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

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA

Notes to Financial Statements

Note 3. Investments (Continued)

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for money market-like investment 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 the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of credit risk:* Pooled investments are excluded from the 5% disclosure requirement.
- *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 30 as of May 31, 2020.
- *Foreign currency risk:* Not applicable to money market-like pools.

The investments in LAMP are stated at fair value. The fair value 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 the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Note 4. Receivables

Receivables as of May 31, 2020, consisted of the collected monies due from:

Taxes	
St. Tammany Parish Sheriff's Office	\$ 114,143
Other	<u>20,087</u>
Total	<u>\$ 134,230</u>

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 5. Capital Assets

Changes in capital assets for the year ended May 31, 2020, are as follows:

Governmental Activities	Balance May 31, 2019	Increases	Decreases	Balance May 31, 2020
Capital Assets Being Depreciated				
Buildings and Improvements	\$ 892,957	\$ -	\$ -	\$ 892,957
Furniture and Fixtures	53,732	-	-	53,732
Computers and Software	151,013	-	-	151,013
Other	105,620	-	-	105,620
Total Capital Assets Being Depreciated	1,203,322	-	-	1,203,322
Less Accumulated Depreciation for:				
Buildings and Improvements	(561,395)	(29,515)	-	(590,910)
Furniture and Fixtures	(52,466)	(659)	-	(53,125)
Computers and Software	(80,108)	(13,905)	-	(94,013)
Other	(80,896)	(4,591)	-	(85,487)
Total Accumulated Depreciation	(774,865)	(48,670)	-	(823,535)
Total Capital Assets Being Depreciated, Net	\$ 428,457	\$ (48,670)	\$ -	\$ 379,787

Note 6. Accounts Payable

At May 31, 2020, accounts payable consisted of the following:

	General Fund
Trade Payables	\$ 34,125
Credit Card Payable	139
Total	\$ 34,264

Note 7. Compensation Paid to Commissioners

The Commissioners received no compensation from the Commission for the year ended May 31, 2020.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA**

Notes to Financial Statements

Note 8. Commitments and Contingencies

The Commission is contingently liable to St. Tammany Parish for the acreage transferred to the Commission in a prior year, in the event that the Commission no longer has a need to utilize this land donated by the Parish. The Commission has agreed to give the Parish the first right to buy the property. In the event the Parish does not exercise its first right to buy the property, then, upon subsequent sale of the property, the Commission must reimburse the Parish an amount of money equal to the fair market value of the land at the time of sale, less improvements, based upon an appraisal to be determined by two independently chosen appraisers.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Commission operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Commission.

Note 9. Deferred Compensation Plan

Certain employees of the Commission participate in the Louisiana Public Employees' Deferred Compensation Plan (the Plan) adopted under the provisions of Internal Revenue Code Section 457. For the year ended May 31, 2020, the Commission contributed 10% of each employee's annual salary. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)
BUDGETARY COMPARISON SCHEDULE**

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended May 31, 2020

Schedule 1

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Sales Taxes				
Local Collections	\$ 1,400,000	\$ 1,400,000	\$ 1,423,379	\$ 23,379
State Appropriation	475,000	475,000	464,875	(10,125)
Grant Revenue	20,000	20,000	-	(20,000)
Interest Income	56,300	56,300	57,629	1,329
Miscellaneous Income	-	-	33,733	33,733
Total Revenues	1,951,300	1,951,300	1,979,616	28,316
Expenditures				
Tourism				
Personnel				
Salaries, Payroll Taxes, and Fringe Benefits	916,930	916,930	796,296	120,634
Marketing and Promotion				
Advertising	550,000	550,000	629,274	(79,274)
Brochures	140,000	140,000	99,700	40,300
Special Promotions	300,000	300,000	99,217	200,783
Research and Development	250,000	250,000	57,753	192,247
Travel	74,000	74,000	49,607	24,393
Dues and Subscriptions	26,000	26,000	45,971	(19,971)
Telephone	32,000	32,000	27,540	4,460
Postage and Shipping	22,000	22,000	14,798	7,202
Trade Shows	45,000	45,000	13,429	31,571
Auto Expenses	12,000	12,000	6,136	5,864
Training	20,000	20,000	3,512	16,488
Uniforms	200	200	149	51
General and Administrative				
Insurance	52,000	52,000	56,222	(4,222)
Repairs and Maintenance	30,000	30,000	29,148	852
Professional Fees	34,000	34,000	28,770	5,230
Office Supplies	19,000	19,000	23,237	(4,237)
Rent	13,200	13,200	13,276	(76)
Utilities	14,000	14,000	11,538	2,462
Equipment Rental	9,300	9,300	8,471	829
Auto Expenses	5,000	5,000	3,035	1,965
Official Notice Publication	2,500	2,500	1,516	984
Travel	500	500	-	500
Capital Outlay	150,000	150,000	-	150,000
Total Expenditures	2,717,630	2,717,630	2,018,595	699,035
Net Change in Fund Balance	\$ (766,330)	\$ (766,330)	(38,979)	\$ 727,351
Fund Balance, Beginning of Year			3,336,539	
Fund Balance, End of Year			\$ 3,297,560	

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA
Schedule of Governing Board
For the Year Ended May 31, 2020

Board of Commissioners	Term of Office	Compensation
Alex Carollo 503 Pinecrest CL Slidell, LA 70458	December 31, 2021	\$-0-
Bonnie Eades 921 Beauregard Parkway Covington, LA 70433	December 31, 2021	\$-0-
Mark Myers 84 Chamale Cove Slidell, LA 70460	December 31, 2022	\$-0-
Katherine Diemont 139 Egret Street Covington, LA 70433	December 31, 2022	\$-0-
Marlaine Peachey 8 Jennifer Court Mandeville, LA 70448	December 31, 2020	\$-0-
Thomas J. (T.J.) Smith, Jr. 62390 John Smith Road Pearl River, LA 70452	December 31, 2020	\$-0-
Patti Elish 127 Tchefuncte South Drive Covington, LA 70433	December 31, 2021	\$-0-

See independent auditor's report.

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended May 31, 2020

Agency Head
Donna O'Daniels, President/CEO

Purpose	Amount
Wages	\$133,350
Benefits - Insurance	\$13,079
Benefits - Retirement	\$11,894
Benefits - Other	\$0
Car Allowance	\$6,000
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$2,056
Other Travel and Meals (State Meetings)	\$1,197
Registration Fees	\$2,865
Trade Shows and Conventions	\$6,767
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Cell Phone, Email, and Internet Access	\$1,299
Special Meals	\$0

See independent auditor's report.

**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**

To the Board of Commissioners
St. Tammany Parish Tourist and Convention Commission
St. Tammany Parish, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the St. Tammany Parish Tourist and Convention Commission (the Commission), as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 8, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



A Professional Accounting Corporation

Baton Rouge, LA
October 8, 2020

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION
ST. TAMMANY PARISH, LOUISIANA
Schedule of Findings and Responses
For the Year Ended May 31, 2020

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements identified? | No |
| d. Other matters identified? | No |
| 3. Management letter comment provided? | None |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

Compliance

None.

Other

None.

Part IV - Prior Year Findings

None.