

*Financial Report*

*Jefferson Convention & Visitors Bureau, Inc.*

*December 31, 2020*

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December 31, 2020 and 2019

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
Jefferson Convention & Visitors Bureau, Inc.,  
Harahan, Louisiana.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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 Responsibility**

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bureau as of December 31, 2020, and its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information in Schedule 1 is presented for the purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3), and is not a required part of the financial statements. Such information in Schedule 1 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information in Schedule 1 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 in Schedule 1 is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited the Bureau's 2019 financial statements, and our report July 21, 2020, expressed an unmodified opinion, on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2019 is consistent, in all material respects, with the 2019 audited financial statements from which it has been derived.

## **Other Reporting Required of *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated May 13, 2021, on our consideration of the Bureau's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,  
May 13, 2021.

**STATEMENT OF FINANCIAL POSITION****Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, LouisianaDecember 31, 2020  
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash	\$ 2,823,083	\$ 2,646,834
Accounts receivable	147,949	196,461
Investments	206,418	205,088
Prepaid assets	11,995	47,575
Property and equipment, net	<u>1,061,409</u>	<u>1,069,877</u>
Total assets	<u>\$ 4,250,854</u>	<u>\$ 4,165,835</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 105,442	\$ 58,152
Deferred revenue	-	15,375
Notes payable	833,334	833,334
Economic Injury Disaster Loan payable	149,900	-
Paycheck Protection Program Loan payable	<u>167,700</u>	<u>-</u>
Total liabilities	<u>1,256,376</u>	<u>906,861</u>
<b>Net Assets</b>		
Without donor restrictions:		
Board designated	344,598	327,966
Undesignated	<u>2,647,149</u>	<u>2,928,277</u>
Total net assets without donor restrictions	2,991,747	3,256,243
With donor restrictions	<u>2,731</u>	<u>2,731</u>
Total net assets	<u>2,994,478</u>	<u>3,258,974</u>
Total liabilities and net assets	<u>\$ 4,250,854</u>	<u>\$ 4,165,835</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, LouisianaFor the year ended December 31, 2020  
(with comparative totals for 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Totals</u>	<u>2019 Totals</u>
<b>Revenues and Other Support</b>				
Occupancy tax revenue - Jefferson	\$ 917,955	\$ -	\$ 917,955	\$1,341,530
Tourism support assessment	651,154	-	651,154	1,085,276
Family Gras	371,595	-	371,595	357,656
GTSPF private grant	-	-	-	102,869
Economic Injury Disaster grant	10,000	-	10,000	-
Membership participation	20,775	-	20,775	50,475
Rhythm on the Route - Jefferson	71,573	-	71,573	75,200
Louisiana Office of Tourism	20,126	-	20,126	11,750
Interest	3,941	-	3,941	11,694
Other income	2,359	-	2,359	11,224
	<u>2,069,478</u>	<u>-</u>	<u>2,069,478</u>	<u>3,047,674</u>
<b>Total revenues and other support</b>				
<b>Net Assets Released From Restrictions</b>				
Expiration of time restrictions and program restrictions satisfied through payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,069,478</u>	<u>-</u>	<u>2,069,478</u>	<u>3,047,674</u>
<b>Total revenues and other support, net assets released from restrictions</b>				

**Exhibit B  
(Continued)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Totals</u>	<u>2019 Totals</u>
<b>Expenses</b>				
Depreciation	12,468	-	12,468	20,445
Equipment - rental	7,986	-	7,986	3,261
Equipment - repairs	10,521	-	10,521	11,561
Insurance	21,018	-	21,018	22,183
Interest	35,187	-	35,187	13,963
Marketing and promotion:				
Collateral materials	14,654	-	14,654	16,981
Cooperative programs	18,133	-	18,133	42,740
Equipment purchases	39,042	-	39,042	17,515
Internet advertising	177,226	-	177,226	163,241
Media/brand management	266,297	-	266,297	356,492
Other	117,444	-	117,444	166,897
Product development	609,171	-	609,171	590,999
Rhythm on the Route	57,408	-	57,408	62,071
Trade shows	10,125	-	10,125	52,972
Travel	12,304	-	12,304	65,516
Office expense	3,602	-	3,602	10,881
Postage	706	-	706	2,732
Professional/technical	51,910	-	51,910	53,544
Rent	8,154	-	8,154	8,119
Salaries and benefits	853,835	-	853,835	905,229
Telephone	6,783	-	6,783	5,733
	<u>2,333,974</u>	<u>-</u>	<u>2,333,974</u>	<u>2,593,075</u>
<b>Change in Net Assets</b>	(264,496)	-	(264,496)	454,599
<b>Net Assets</b>				
Beginning of year	<u>3,256,243</u>	<u>2,731</u>	<u>3,258,974</u>	<u>2,804,375</u>
End of year	<u>\$2,991,747</u>	<u>\$ 2,731</u>	<u>\$2,994,478</u>	<u>\$3,258,974</u>

See notes to financial statements.



**STATEMENT OF FUNCTIONAL EXPENSES****Jefferson Convention & Visitors Bureau, Inc.**

Harahan, Louisiana

For the year ended December 31, 2020  
(with comparative totals for 2019)

	Program Services		Total Program Services	General and Administrative	Totals	
	Family Gras Program	Tourism Program			2020	2019
Salaries	\$ -	\$ 513,438	\$ 513,438	\$227,608	\$ 741,046	\$ 785,145
Product development	609,171	-	609,171	-	609,171	590,999
Media/brand management	22,985	243,312	266,297	-	266,297	356,492
Advertising	-	91,374	91,374	-	91,374	63,938
Marketing and promotion	-	89,280	89,280	-	89,280	100,635
Events	-	81,329	81,329	-	81,329	76,373
Employee benefits	-	42,583	42,583	16,425	59,008	59,726
Payroll taxes	-	39,551	39,551	16,280	55,831	60,358
Professional fees	-	32,809	32,809	19,101	51,910	53,544
Equipment purchases	-	39,042	39,042	-	39,042	17,515
Other program expense	-	38,527	38,527	-	38,527	92,233
Interest	-	24,631	24,631	10,556	35,187	13,963
Research	-	33,749	33,749	-	33,749	7,660
Insurance	12,777	1,936	14,713	6,305	21,018	22,183
Website maintenance	-	14,910	14,910	-	14,910	41,955
Collateral materials	-	14,654	14,654	-	14,654	16,981
Dues and subscriptions	-	11,737	11,737	-	11,737	23,323
Travel	-	12,304	12,304	-	12,304	65,516
Equipment repairs	-	7,365	7,365	3,156	10,521	11,561
Trade shows	-	10,125	10,125	-	10,125	52,972
Rent	-	5,708	5,708	2,446	8,154	8,119
Education	-	5,068	5,068	2,187	7,255	28,832
Telephone	-	4,748	4,748	2,035	6,783	5,733
Office expenses	20	1,445	1,465	2,137	3,602	10,881
Equipment rental	-	5,590	5,590	2,396	7,986	3,261
Mailing and postage	324	170	494	212	706	2,732
Total expenses before depreciation	645,277	1,365,385	2,010,662	310,844	2,321,506	2,572,630
Depreciation of property and equipment	-	12,468	12,468	-	12,468	20,445
Total expenses	<u>\$645,277</u>	<u>\$1,377,853</u>	<u>\$2,023,130</u>	<u>\$310,844</u>	<u>\$2,333,974</u>	<u>\$2,593,075</u>

See notes to the financial statements.

**STATEMENT OF CASH FLOWS****Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, LouisianaFor the year ended December 31, 2020  
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (264,496)	\$ 454,599
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	12,468	20,445
(Increase) decrease in assets:		
Accounts receivables	48,512	(15,004)
Prepaid assets	35,580	118,797
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	47,290	(46,080)
Deferred revenue	<u>(15,375)</u>	<u>(3,775)</u>
Net cash provided by (used in) operating activities	<u>(136,021)</u>	<u>528,982</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(1,330)	(4,547)
Purchases of property and equipment	<u>(4,000)</u>	<u>(224,871)</u>
Net cash used in investing activities	<u>(5,330)</u>	<u>(229,418)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from Economic Injury Disaster loan	149,900	-
Proceeds from Paycheck Protection Program loan	<u>167,700</u>	<u>-</u>
Net cash provided by financing activities	<u>317,600</u>	<u>-</u>
<b>Net Increase in Cash</b>	176,249	299,564
<b>Cash</b>		
Beginning of year	<u>2,646,834</u>	<u>2,347,270</u>
End of year	<u><u>\$2,823,083</u></u>	<u><u>\$2,646,834</u></u>

**Exhibit D  
(Continued)**

	<u>2020</u>	<u>2019</u>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Interest paid	<u>\$ 34,499</u>	<u>\$ 13,963</u>
<b>Noncash Investing and Financial Activities</b>		
Acquisition of property through note payable	<u>\$ -</u>	<u>\$ 833,334</u>

See notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, Louisiana

December 31, 2020 and 2019

**Note 1 - NATURE OF ACTIVITIES**

Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") is a non-profit corporation organized in June of 2000. The mission of the Bureau is to actively partner with the tourism and hospitality industry by marketing and selling the destination brand experience with resulting additional spending by leisure and group travel visitors leading to enhanced community economic vitality and resident quality of life.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Organization and Income Taxes**

The Bureau is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code. It is also exempt from Louisiana income tax under the authority of R.S. 47:287(501).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. The Bureau is no longer subject to tax examinations by taxing authorities for years ended before 2017. As of December 31, 2020, management believes that the Bureau had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**b. Basis of Accounting**

The Bureau recognizes revenue and records expenses on the accrual basis of accounting. Under this method, revenue is recognized when earned, and expenses are recorded when the liability is incurred.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**c. Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Net assets, revenues, and expenses are classified on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Bureau and changes therein are classified and reported as follows:

**Net Assets without Donor Restrictions**

**Undesignated** - net assets that are not subject to donor-imposed stipulations.

**Board Designated** - net assets that are to be used for the building of a Jefferson Parish Visitor's Center or for other Board of Directors' approved expenses.

**Net Assets with Donor Restrictions** - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Bureau and/or the passage of time.

**d. 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 certain reported amounts and disclosures. Accordingly, results could differ from those estimates.

**e. Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, the Bureau considers all investments purchased with an initial maturity of six months or less to be cash equivalents. As of December 31, 2020 and 2019, there were no cash equivalents.

**f. Revenue Recognition**

*Revenues from Exchange Transactions:* The Bureau recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenues from Contracts with Customers*, as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its Statements of Activities for the years ended December 31, 2020 and 2019:

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f. Revenue Recognition (Continued)**

*Family Gras Revenue:* The Bureau receives sponsorships revenue, food vendor revenue, VIP ticket revenue, and other revenue through the Family Gras Event. Revenue is recognized upon the completion of the event.

*Membership Revenue:* The Bureau receives annual membership dues from local businesses in exchange for marketing and promotion provided by the Bureau. The Bureau invoices members annually and records membership revenue during the year of membership.

**Occupancy Tax Revenue**

The Bureau receives the majority of its revenue from Jefferson Parish through Cooperative Endeavor Agreements based on the hotel occupancy tax.

**Tourism Support Assessment**

Louisiana Revised Statute 21:301-308 was passed in the 2015 Regular Session of the Louisiana Legislature and it authorized a tourism support assessment by the Bureau effective August 1, 2016. The Bureau implemented the assessment September 1, 2016. Hotel members are subject to a monthly 1% assessment of the room charges, excluding any room charges that are not subject to state authorized hotel and motel taxes.

**Grant Revenue**

The Bureau received private grant revenue during the year ended December 31, 2019 from the Gulf Tourism Seafood Promotion Fund.

**Contributions**

Contributions and grants are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor or grantor restrictions. Support that is restricted by a donor or grantor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions and grants whose restrictions are met in the same reporting periods are reported as increases in net assets without donor restrictions.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f. Revenue Recognition (Continued)**

Non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

The Bureau did not have any contributions during the years ended December 31, 2020 and 2019.

**g. Allowance for Doubtful Accounts**

An allowance for doubtful accounts is estimated based on the Bureau's historical losses, the existing economic conditions, and the financial stability of its customers and members. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible and establishes an allowance for estimated uncollectible accounts receivable. Management believes all accounts receivable are fully collectible as of December 31, 2020 and 2019.

**h. Property and Equipment**

Property and equipment is stated at cost at the date of acquisition or fair value at the date of donation. The Bureau capitalizes all costs in excess of \$1,500 for property and equipment with an estimated useful life greater than one year. Repairs and maintenance are charged to expense as incurred; major renewals, replacements, and betterments are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets which range from three to fifteen years.

**i. Deferred Revenue**

Deferred revenue results from the Bureau receiving membership fees and Family Gras Funds in the current year for the following year.

**j. Methods Used For Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Most of the expenses can be directly allocated to one of the programs or supporting function. The Bureau maintains a separate set of records for the Family Gras program and those expenses can be directly allocated to that program. The salaries and benefits

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j. Methods Used For Allocation of Expenses**

expenses are allocated based on the time and effort of the employees between program activities and administrative activities. The Bureau employs twelve full time employees, eight of which focus all of their time and effort on program activities, three other employees focus solely on administrative activities, and one employee allocates their time half and half between program and administrative activities. Based on this employee breakdown, the remaining expenses are allocated between 70% program and 30% administrative which approximates the time and effort of the employees.

**k. Advertising**

The Bureau expenses advertising costs as they are incurred. Advertising costs (marketing and promotion) totaled \$1,321,804 and \$1,535,424 for the years ended December 31, 2020 and 2019, respectively. Advertising is comprised of marketing and promotion expenses.

**l. Donated Services of Volunteers**

A substantial number of volunteers have donated significant amounts of their time in the conduct of the Bureau's program services. However, no amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services and management believes that the requirements for recording in-kind services have not been met.

**m. Recently Issued Accounting Standards**

**Revenue from Contracts with Customers**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*", which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, the FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The new revenue standard is now effective for annual reporting periods beginning after December 15, 2019. The Bureau has adopted the provisions of ASU No. 2014-09 and retrospectively applied this standard to the financial statements. The adoption of this accounting standard did not have a significant effect on the financial statements.



**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Recently Issued Accounting Standards (Continued)**

**Leases**

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Bureau is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**n. Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 13, 2021, which is the date the financial statements were available to be issued.

**Note 3 - CONCENTRATION OF CREDIT RISK**

The Bureau maintains its cash balances in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$250,000 per bank. Uninsured or non-guaranteed cash balances were approximately \$1,642,000 as of December 31, 2020.

**Note 4 - DESIGNATED NET ASSETS**

The Bureau's Board of Directors has designated part of the net assets without donor restrictions for the following purpose as of December 31, 2020 and 2019:

	2020	2019
Jefferson Parish Visitors Center	\$344,598	\$327,966

**Note 5 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Pontchartrain Center	<u>\$ 2,731</u>	<u>\$ 2,731</u>

There were no net assets released from restrictions during the year ended December 31, 2020.

**Note 6 - INVESTMENTS**

The Louisiana Asset Management Pool (LAMP), a local governmental investment pool, is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative by the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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. Accordingly, LAMP investments are registered to securities issues, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. 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. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participant's shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The value for LAMP's total investments totaled \$206,418 and \$205,088 as of December 31, 2020 and 2019, respectively.

**Note 7 - PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2020 and 2019 is as follows:

	2020	2019
Land	\$1,053,652	\$1,053,652
Computer software	96,025	96,025
Equipment	35,997	35,997
Construction in progress	4,000	-
Leasehold improvements	3,154	3,154
	1,192,828	1,188,828
Accumulated depreciation	(131,419)	(118,951)
Totals	\$1,061,409	\$1,069,877

Depreciation expense for the years ended December 31, 2020 and 2019 was \$12,468 and \$20,445, respectively.

**Note 8 - NOTES PAYABLE**

On August 28, 2019, the Bureau executed a note payable in the amount of \$833,334 with Hancock Whitney Bank to purchase land. The loan was renewed on August 28, 2020. The agreement provides for monthly interest only payments at Wall Street Journal Prime with a minimum rate of 4% (4.00% as of December 31, 2020) and a balloon payment of \$833,334 due February 28, 2021. The note is secured with the land. The outstanding balance of the note payable as of December 31, 2020 was \$833,334.

On February 28, 2021, \$433,334 was paid on the loan and the remaining balance was converted to a note payable in the amount of \$400,000, which is due on February 28, 2026. The agreement provides for monthly principal and interest payments of \$4,206. The interest rate on the note payable is 4.75%.

Total interest expense incurred on the notes payable for the years ended December 31, 2020 and 2019 totaled \$35,187 and \$13,963, respectively.

**Note 9 - PAYCHECK PROTECTION PROGRAM**

On June 9, 2020, the Bureau received a \$167,700 loan from Fidelity Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). Interest on the loan is 1.0%. Management expects that this loan will be repaid by SBA within 12 months and that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP. Any amounts not forgiven would be amortized over a period of two years.

**Note 10 - ECONOMIC INJURY DISASTER LOAN**

On October 27, 2020, the Bureau received a \$149,900 Economic Injury Disaster Loan from the SBA. Interest on the loan is 2.75%, with monthly payments of principle and interest of \$641 which will begin October 2021. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal. Accrued interest as of December 31, 2020 totaled \$688.

Future maturities of the loan payable are as follows:

<u>Year Ending December 31,</u>	<u>Amounts</u>
2021	\$ -
2022	578
2023	3,631
2024	3,732
2025	3,836
Thereafter	<u>138,123</u>
	<u>\$149,900</u>

**Note 9 - RENT EXPENSE**

The Bureau rents office space from Jefferson Parish on a month-to-month basis under the Cooperative Endeavor Agreement. The monthly rent is \$640. For the year ended December 31, 2020, additional storage space was rented for \$439. Rent expense totaled \$8,154 and \$8,119 for the years ended December 31, 2020 and 2019, respectively.

**Note 10 - EMPLOYEE BENEFIT PLAN**

The Bureau has a defined contribution plan (Simple IRA). The eligibility requirements for the plan require employees to earn at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. Employer contributions are based on a dollar for dollar match of employee's contribution with a maximum contribution not to exceed 3% of gross salary. Employer and employee contributions are fully vested immediately upon satisfying eligibility requirements. The pension expense for the years ended December 31, 2020 and 2019 was \$17,662 and \$18,446, respectively.

**Note 11 - AVAILABILITY OF FINANCIAL ASSETS**

As part of the Bureau's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Bureau invests cash in excess of daily requirements in investments. Although the Bureau does not intend to spend from its investment funds other than amounts approved by the Board of Directors, amounts from its investment funds could be made available if necessary.

The Bureau receives grants with donor purpose restrictions. In addition, the Bureau generates revenue and receives grants without donor restrictions. Grants without donor restrictions, occupancy tax revenue, tourism support assessment revenue, Family Gras revenue, sponsorship revenue, investment income without donor restrictions, and miscellaneous income are considered to be available to meet cash needs for general expenditures. General expenditures include the Family Gras program, the tourism program, and general and administrative expenses. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

**Note 11 - AVAILABILITY OF FINANCIAL ASSETS (Continued)**

The following table represents financial assets available for general expenditures within one year of December 31, 2020:

Financial assets:	
Cash and cash equivalents	\$ 2,823,083
Accounts receivable	147,949
Investments	<u>206,418</u>
Total financial assets, as of December 31, 2020	<u>3,177,450</u>
Less amounts not available to be used within one year, due to:	
Contractual or donor imposed restrictions:	
Purpose restricted net assets	(2,731)
Board designations:	
Jefferson Parish Visitors Center	<u>(344,598)</u>
Total financial assets not available to be used within one year	<u>(347,329)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,830,121</u>

**Note 12 - ECONOMIC DEPENDENCY**

The Bureau is dependent on the Jefferson Parish Council to renew their revenue from the Cooperative Endeavor Agreements which transfers a portion of the net proceeds of the hotel occupancy tax. This agreement expires June 30, 2023. The Bureau is also dependent on member hotel assessment collections.

**Note 13 - COMMITMENT**

The Bureau entered into an agreement on December 5, 2016 with a website consulting company for the construction and hosting of the Bureau's website. The agreement calls for three years of licensing fees commencing in 2017. The Bureau extended the agreement for three years beginning on April 1, 2020. As of December 31, 2020, future minimum payments under this agreement are as follows:

<u>Year Ending December 31,</u>	
2021	\$34,500
2022	34,500
2023	<u>8,625</u>
	<u>\$77,625</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, Louisiana

For the year ended December 31, 2020

**Agency Head Name:** Violet Peters, Chief Executive Officer

**Purpose**

Salary	\$ 132,923
Benefits - insurance	542
Benefits - retirement	3,975
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	400
Travel	213
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<b>\$ 138,053</b>
	<hr/> <hr/>

**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 Directors,  
Jefferson Convention & Visitors Bureau, Inc.,  
Harahan, 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 Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 13, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bureau'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau'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 Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
May 13, 2021.

**SCHEDULE OF FINDINGS AND RESPONSES**

**Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, Louisiana

For the year ended December 31, 2020

**Section I - Summary of Auditor's Report**

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes  No
- Significant deficiency(ies) identified that are  
    not considered to be a material weakness?         Yes  None reported

Noncompliance material to financial statements noted?     Yes  No

b) Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2020 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

**Internal Control Over Financial Reporting**

There were no findings noted during the audit of the year ended December 31, 2020 related to internal control over financial reporting.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Jefferson Convention & Visitors Bureau, Inc. Harahan, Louisiana**

For the year ended December 31, 2020

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

##### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2019.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2019.

##### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended December 31, 2019.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2019 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2019.

**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**ON CURRENT YEAR FINDINGS**

**Jefferson Convention & Visitors Bureau, Inc.**  
Harahan, Louisiana

For the year ended December 31, 2020

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Financial Statements**

**Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2020.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2020

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended December 31, 2020.

**Section II - Internal Control and Compliance Material to Federal Awards**

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2020 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

**Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2020.