

**River Parishes Convention, Tourist,
& Visitors Commission**

Annual Financial Report
As of and for the
Year Ended June 30, 2018

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2018**

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& Visitors Commission
State of Louisiana**
Annual Financial Report
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana
LaPlace, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the River Parishes Convention, Tourist, & Visitors Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the River Parishes Convention, Tourist, & Visitors Commission as of June 30, 2018, 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 4 through 8 and the Budgetary Comparison Schedule on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

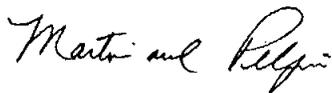
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the River Parishes Convention, Tourist, & Visitors Commission's basic financial statements. The Schedule of Expenditures – General Fund on page 25 and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 26 are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Schedule of Expenditures – General Fund and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures – General Fund and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 10, 2018, 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 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 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.



Houma, Louisiana
December 10, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Management's Discussion and Analysis
June 30, 2018

As management of the River Parishes Convention, Tourist, & Visitors Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2018.

Financial Highlights

- River Parishes Convention, Tourist, & Visitors Commission's assets exceeded its liabilities by \$1,176,760 (net position) as of June 30, 2018.
- Revenues exceeded expenses by \$31,974 during the year.
- The River Parishes Convention, Tourist, & Visitors Commission's received and disbursed Parish taxes totaling \$456,821 and State appropriation funding of \$218,220.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the Commission's financial statements. River Parishes Convention, Tourist, & Visitors Commission's financial statements consist of the following:

Statement of Net Position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Statement of Activities. Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

Balance Sheet – Governmental Fund Type – General Fund. This statement presents the Commission's assets, liabilities, and fund balance for its general fund only.

Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Fund Type – General Fund. Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Management's Discussion and Analysis
June 30, 2018

Overview of the Financial Statements (Cont.)

Notes to Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

Basic Financial Analysis

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the Commission, assets exceeded liabilities by \$1,176,760 at the close of June 30, 2018. The largest portion of the Commission's total assets is cash and investments (87%).

The Commission's Condensed Statement of Net Position

	June 30,	
	2018	2017
ASSETS		
Cash and investments	\$ 1,080,902	\$ 1,025,358
Other current assets	125,119	153,607
Capital assets	85,157	85,157
Accumulated depreciation	(44,249)	(35,790)
	1,246,929	1,228,332
LIABILITIES		
Accounts payable and accrued expenses	10,454	25,261
Due to other government	41,187	40,962
Compensated absences payable	18,528	17,323
	70,169	83,546
NET POSITION		
Net investment in capital assets	40,908	49,367
Unrestricted	1,135,852	1,095,419
	\$ 1,176,760	\$ 1,144,786

Total assets increased by \$18,597, and total liabilities decreased by \$13,377.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Management's Discussion and Analysis
June 30, 2018

Basic Financial Analysis (Cont.)

During the year, the Commission's net position increased by \$31,974. The elements of the increase are as follows:

The Commission's Condensed Statement of Activities

	For the Year Ended June 30,	
	2018	2017
REVENUES		
Parish taxes	\$ 456,821	\$ 507,882
State appropriation	218,220	210,000
Other	60,835	102,350
TOTAL REVENUES	735,876	820,232
EXPENDITURES		
Other services and charges	650,333	531,378
Personal services	219,872	215,952
Other	54,693	67,963
TOTAL EXPENDITURES	924,898	815,293
OTHER INCOME/(EXPENSE)		
Deepwater Horizon settlement	200,000	50,000
Interest earned	20,621	2,904
Other income	375	1,439
Loss on disposal of assets	-	(371)
TOTAL OTHER INCOME/(EXPENSE)	220,996	53,972
CHANGE IN NET POSITION	\$ 31,974	\$ 58,911

As indicated above, net position increased by \$31,974. The decrease in change in net position from the prior year is primarily due to the decrease in Parish taxes.

Financial Analysis of Individual Funds (FFS)

The General Fund includes revenue and expenditures necessary to the operation of the Commission such as personnel, benefits, and operation and maintenance of facilities. The General Fund reflected \$735,876 in total revenues, including \$456,821 of parish taxes. Total current expenditures were \$916,439. Fund balance increased by \$40,433 for the year.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Management's Discussion and Analysis
June 30, 2018

Variations Between Original and Final Budgets and Actual Results

The Commission's annual budget is adopted on a modified accrual basis of accounting excluding certain noncash items, such as accrued earnings of compensated absences, and depreciation. Budgets are to be amended when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures exceed budgeted expenditures by five percent or more. The original budget for the year ended June 30, 2018 was amended once during the fiscal year, reflecting actual revenues and expenditures, as well as projected revenues and expenditures to year-end.

The original budget for the General Fund was amended during the year as follows:

Originally budgeted revenues	\$ 717,000
Increases (decreases) were provided for:	
A decrease in Parish taxes	(29,899)
An increase in State appropriation	40,611
An increase in other revenues	221,831
	221,831
Final budgeted revenues	\$ 949,543
Originally budgeted expenditures	\$ 716,549
Increases (decreases) were provided for:	
An increase in other services and charges	209,933
A decrease in personal services	(30,334)
An increase in supplies and materials	7,771
An increase in repairs and maintenance	7,191
	7,191
Final budgeted expenditures	\$ 911,110

The Commission's actual revenues exceeded the budgeted revenues by \$7,329, a favorable variance of .8%. The Commission's actual expenditures were more than budgeted expenditures by \$5,329, an unfavorable variance of .6%.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Management's Discussion and Analysis
June 30, 2018

Capital Assets

Capital assets include Scenic Byways signage and promotional video of \$59,029 and computers, computer equipment, and office furniture of \$26,128. Accumulated depreciation as of June 30, 2018 is \$44,249 resulting in an ending book balance of \$40,908.

Depreciation expense of \$8,459 was recorded for the year. More detailed information about the capital assets is presented in the notes to the financial statements.

Long-Term Obligations

The Commission has not financed through external borrowing or incurring debt and thus does not have any outstanding bonds or notes for this year.

Contacting Financial Management

This financial report is designed to provide a general overview of the River Parishes Convention, Tourist, & Visitors Commission's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Buddy Boe, Executive Director
River Parishes Convention, Tourist, & Visitors Commission
2900 Highway 51
LaPlace, LA70068
Phone number (985) 359-2562

FINANCIAL STATEMENTS

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Statement of Net Position
June 30, 2018

	Government Activities
ASSETS	
Cash	\$ 287,757
Investments	793,145
Taxes receivable	62,883
Due from other governments	61,030
Prepaid expenses	1,206
	1,206,021
Total current assets	1,206,021
Capital assets	85,157
Accumulated depreciation	(44,249)
	40,908
Total capital assets	40,908
TOTAL ASSETS	1,246,929
LIABILITIES	
Accounts payable and accrued expenses	10,454
Due to other government	41,187
Compensated absences payable	18,528
	70,169
TOTAL LIABILITIES	70,169
NET POSITION	
Net investment in capital assets	40,908
Unrestricted	1,135,852
	1,176,760
TOTAL NET POSITION	\$ 1,176,760

See accompanying notes.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana
Statement of Activities
For the Year Ended June 30, 2018**

	Government Activities
REVENUES AND OTHER SOURCES	
REVENUES	
Parish taxes	\$ 456,821
State appropriation	218,220
	675,041
OTHER SOURCES	
Membership	60,000
Other	835
	60,835
TOTAL REVENUES AND OTHER SOURCES	735,876
EXPENDITURES	
Other services and charges	650,333
Personal services	219,872
Supplies and materials	39,043
Depreciation	8,459
Repairs and maintenance	7,191
	924,898
OTHER INCOME	
Deepwater Horizon settlement	200,000
Interest earned	20,621
Other	375
	220,996
TOTAL OTHER INCOME	220,996
CHANGE IN NET POSITION	31,974
NET POSITION	
Beginning of year	1,144,786
End of year	\$ 1,176,760

See accompanying notes.

**River Parishes Convention, Tourist,
 & Visitors Commission**
State of Louisiana
 Balance Sheet
 Governmental Fund Type -
 General Fund
 June 30, 2018

	Government Activities
ASSETS	
Cash	\$ 287,757
Investments	793,145
Taxes receivable	62,883
Due from other governments	61,030
Prepaid expenses	<u>1,206</u>
TOTAL ASSETS	<u><u>\$ 1,206,021</u></u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 10,454
Due to other government	41,187
Compensated absences payable	<u>18,528</u>
TOTAL LIABILITIES	<u>70,169</u>
FUND BALANCE	
Nonspendable	1,206
Unassigned	<u>1,134,646</u>
TOTAL FUND BALANCE	<u>1,135,852</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 1,206,021</u></u>

See accompanying notes.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Statement of Revenues, Expenditures,
And Change in Fund Balance -
Governmental Fund Type -
General Fund
For the Year Ended June 30, 2018

REVENUES AND OTHER SOURCES

REVENUES

Parish taxes	\$ 456,821
State appropriation	218,220
	675,041

OTHER SOURCES

Membership	60,000
Other	835
	60,835

TOTAL REVENUES AND OTHER SOURCES	735,876
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EXPENDITURES

Economic developmental assistance:

Other services and charges	650,333
Personal services	219,872
Supplies and materials	39,043
Repairs and maintenance	7,191
	716,439

TOTAL EXPENDITURES	916,439
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OTHER INCOME

Deepwater Horizon settlement	200,000
Interest earned	20,621
Other	375
	220,996

TOTAL OTHER INCOME	220,996
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CHANGE IN FUND BALANCE	40,433
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FUND BALANCE

Beginning of year	1,095,419
End of year	\$ 1,135,852

See accompanying notes.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2018

Total fund balance - total governmental funds	\$ 1,135,852
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets of \$85,157, net of accumulated depreciation of \$44,249 are not financial resources and, therefore, are not reported in the funds.	<u>40,908</u>
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Net position of governmental activities	<u><u>\$ 1,176,760</u></u>
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Reconciliation of the Governmental Fund Statement of Revenues,
Expenditures, and Change in Fund Balance to the
Statement of Activities
For the Year Ended June 30, 2018

Change in fund balance - governmental fund	\$ 40,433
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports capital outlays as expenditures whereas in the statement of activities these costs are depreciated over their estimated useful lives. Depreciation expense	<u>(8,459)</u>
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Change in net position of governmental activities	<u><u>\$ 31,974</u></u>
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See accompanying notes.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The River Parishes Convention, Tourist, & Visitors Commission (the Commission) was created and established by legislative act of the State of Louisiana (R.S. 33-4574.12). The Commission was formed for the purpose of promoting tourism within the Parishes of St. Charles, St. James, and St. John the Baptist. The Commission is composed of nine members, known as commissioners, appointed by each of the three parishes' economic development commissions, parish presidents, and parish councils and confirmed by the Senate. The commissioners are authorized to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within its jurisdiction. The Commission may also sue and be sued, accept grants or donations of every type, and make capital improvements for the purpose of obtaining federal funds. However, the Commission may not exercise any function that results in competition with local retail businesses or enterprises. The Commission is funded by a 2.0% tax on the occupancy of hotel rooms, motel rooms, and overnight camping facilities located within the boundaries of St. Charles, St. James, and St. John the Baptist Parishes.

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

GASB Statements No. 14 and No. 39 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Financial accountability by the state government is determined on the basis of the following criteria:

1. Legal status
2. Appointment of voting majority of governing board
3. Fiscal dependence
4. Imposition of will
5. Financial benefit or burden

The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the state government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Commission has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. METHOD OF ACCOUNTING

GASB statements establish standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted– This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of decision-making authority. The Board of Commissioners must vote on commitments.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Assigned – This component of fund balance is intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the Commission's general fund and includes all spendable amounts not contained in the other classifications.

Stabilization Funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

C. FUND TYPES

The Commission reports the following fund types:

Governmental Funds - Governmental Funds are those through which governmental functions of the Commission are financed. The acquisition, use, and balances of the Commission's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. 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).

Fund Financial Statements

The amounts reflected in fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

of revenues, expenditures, and change in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

E. ENCUMBRANCES

The Commission does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

F. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the Commission's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended once during the year.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. CASH AND CASH EQUIVALENTS

The Commission considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

H. BAD DEBTS

The financial statements of the Commission contain no allowance for bad debts. Uncollectible amounts due for taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Commission.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. INVESTMENTS

Under state law, the Commission may invest in United States bonds, treasury notes, certificates, and commercial paper. As of June 30, 2018, the Commission holds investments as follows:

	<u>Market Value</u>
Certificates of Deposit	\$ 793,145

J. CAPITAL ASSETS

Capital assets are presented on the Statement of Net Position.

Depreciation of all fixed assets is computed on the straight-line basis. Estimated useful lives are 3-10 years.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

K. 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, actual results could differ from those estimates. Estimates of the Commission primarily relate to fixed assets' useful lives.

NOTE 2 – DEPOSITS AND INVESTMENTS

Bank Deposits:

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivisions.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

The year-end balance of deposits is as follows:

	<u>Bank Balance</u>	<u>Reported Amount</u>
Cash and cash equivalents	\$ 326,379	\$ 287,757
Certificates of deposit	793,145	793,145
Totals	<u>\$ 1,119,524</u>	<u>\$ 1,080,902</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities held by the Commission's agent in its name. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the Commission's agent.

As of June 30, 2018, deposits were adequately collateralized in accordance with state law by FDIC coverage.

Investments:

State statutes authorize the Commission to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Commission's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow. Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Commission's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 5 – RETIREMENT PLAN (Cont.)

on the date of employment in the Parochial Employees' Retirement System of Louisiana (PERSA). The Parochial Employees' Retirement System is a public defined benefit pension plan which provides retirement allowances and other benefits, operating pursuant to LSA-R.S. 11:1901 through 2025. The retirement system has the powers and privileges of a corporation. Pertinent information relative to the plan follows:

The PERSA provides retirement benefits as well as disability and survivor benefits. Seven years of service credit is required to be eligible for a normal retirement benefit at age 65 if the member was an active member of the plan on December 31, 2006. For employees hired January 1, 2007 and later, vesting occurs with seven years of service credit; however, these members must attain age 67 before becoming eligible for normal retirement. Eligibility to actually begin receiving benefits is a function of fulfilling the eligibility provisions of age and service.

Funding Policy

The system is funded primarily by employer and employee contributions which are expressed as percentages of payroll. The amount of employee contributions is 9.5% of compensation. Employer contributions are actuarially determined every fiscal year according to statutory process. The actual net direct employer contribution rate for 2017 was 12.5%.

Because the River Parishes Convention, Tourist, & Visitors Commission's personnel are employees of the St. James Parish Government, the River Parishes Convention, Tourist, & Visitors proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods is included in the financial statements of the St. James Parish Government.

NOTE 6 – COMPENSATION OF BOARD MEMBERS

Members of the Commission's Board serve without compensation.

NOTE 7 – POST-EMPLOYMENT BENEFITS

Other than the retirement plan discussed in Note 5, the Commission does not offer post-retirement benefits to their employees.

NOTE 8 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the Commission carries commercial insurance or other insurance for the losses to which it is exposed. The Commission's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure and claims experience.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 9 – COOPERATIVE ENDEAVOR AGREEMENT

Under a Cooperative Endeavor Agreement with St. John the Baptist Parish, the Parish provides the Commission office space (including utilities) free of charge in the St. John Community Center, which the Parish owns and operates. Free services include water, sewerage, electricity, garbage pickup, local and long distance phone service, internet, janitorial services, and maintenance. The agreement allows the Commission to occupy the building at no charge provided that Commission's management promotes, advertises, attends tradeshow, and engages in other promotional activities on behalf of the Community Center in order to obtain bookings such as meetings, tradeshow, seminars, sports tournaments, conventions, weddings, family reunions, galas, and movie productions. The Commission's staff must be available at the Community Center to assist current and potential clients with rental information and to show the building. The Parish has the option to terminate the agreement at any time upon giving 30 days notice.

NOTE 10 – COMMITMENTS

Membership Agreement

The Commission entered into an agreement with an unrelated organization whereby that organization would pay the Commission \$5,000 per month in order to be entitled to all of the benefits and services provided by the Commission to other plantation houses. This agreement automatically renews each year on July 29th if not terminated by the organization or by the Commission within 90 days of the agreement's expiration date.

For the year ended June 30, 2018, the Commission earned \$60,000 of membership fees related to this agreement.

Advertising Agreement

The Commission retains an unrelated advertising agency to plan, create, produce, and purchase media on the Commission's behalf. The Agency is compensated at the standard agency commission of 15% on all gross media placements and 20% on all outside purchases such as illustrations, photography, camera work, dubs, and printing. Professional services such as account service, broadcast supervision, creative concept, illustration, copywriting, layout/design, print production, and strategic planning are compensated at \$95 an hour. Public relations, search engine management, interactive database, design/development, interactive programming, interactive graphic design, HTML, and interactive project management are compensated at \$125 an hour. The Agency is also reimbursed out-of-pocket expenses. A nominal supply charge of up to \$25 for art materials and archive media may be charged on various creative jobs. In the event of termination, written notice by either party is required. For the year ended June 30, 2018, the Commission expended \$297,000 related to this agreement.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Notes to Financial Statements
For the Year Ended June 30, 2018

NOTE 11 – SUBSEQUENT EVENT

Subsequent events were evaluated through December 10, 2018, which is the date the financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Budgetary Comparison Schedule
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Revised Budget Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Parish taxes	\$ 480,000	\$ 450,101	\$ 456,821	\$ 6,720
State appropriation	177,000	217,611	218,220	609
Membership	60,000	60,000	60,000	-
Other	-	221,831	221,831	-
TOTAL REVENUES	<u>717,000</u>	<u>949,543</u>	<u>956,872</u>	<u>7,329</u>
EXPENDITURES				
Other services and charges	434,023	643,956	650,333	6,377
Personal services	248,776	218,442	219,872	1,430
Supplies and materials	33,750	41,521	39,043	(2,478)
Repairs and maintenance	-	7,191	7,191	-
TOTAL EXPENDITURES	<u>\$ 716,549</u>	<u>\$ 911,110</u>	<u>\$ 916,439</u>	<u>\$ 5,329</u>

See Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Schedule of Expenditures - General Fund
Year Ended June 30, 2018

Other Services and Charges

Advertising	\$ 289,147
Professional fees	94,868
Travel, entertainment, and meals	53,169
Printing and production	42,427
Familiarization tours	36,247
Dues	35,040
Trade show registration	29,970
Public relations	21,380
Film	12,029
Trade show - shipping and handling	7,620
Other	6,390
Mileage	5,582
General insurance	4,722
Sponsorships	3,964
Telephone	3,660
Rental of copy machine	1,644
Training and development seminar	1,210
Rental of postage machine	912
Legal fees	352
Total other services and charges	650,333

Personal Services

Salaries and payroll taxes	182,540
Employee benefits	37,332
Total personal services	219,872

Supplies and Materials

Promotional items	25,115
Office supplies and expenses	11,162
Postage	2,026
Uniforms	740
Total supplies and materials	39,043

Repairs and Maintenance

7,191

TOTAL EXPENDITURES

\$ 916,439

See Independent Auditor's Report.

**River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana**
Schedule of Compensation, Benefits, and Other
Payments to the Executive Director
Year Ended June 30, 2018

Agency Head Name: Kimmie Carlos, Executive Director

Purpose	Amount
Salary	\$ 23,038
Travel	7,064
Benefits - retirement	2,304
Benefits - insurance	1,712
Mileage reimbursements	368
Reimbursements	652
Travel-meals	230
Cell phone reimbursements	288
Meals	178
Trade show registration	-
Training and development	-

Agency Head Name: Buddy Boe, Executive Director

Purpose	Amount
Salary	\$ 38,618
Travel	2,235
Benefits - retirement	5,207
Benefits - insurance	2,523
Mileage reimbursements	1,537
Reimbursements	155
Travel-meals	201
Cell phone reimbursements	-
Meals	-
Trade show registration	-
Training and development	-

This Schedule is used to satisfy the reporting requirements of 24:513(A)(3).

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**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
River Parishes Convention, Tourist,
& Visitors Commission
State of Louisiana
LaPlace, 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 government activities and each major fund of River Parishes Convention, Tourist, & Visitors Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 10, 2018.

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 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. 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

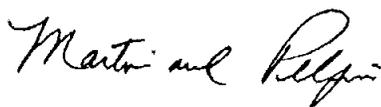
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instances of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 2018-001.

Commission's Response to Finding

The Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of management, Board of Commissioners, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana
December 10, 2018

**River Parish Convention, Tourist,
& Visitors Commission
State of Louisiana**
Schedule of Findings and Responses
As of and for the Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses a unmodified opinion on the financial statements of the River Parishes Convention, Tourist, & Visitors Commission.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. One instance of noncompliance (see finding 2018-001), required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued.
5. The Commission did not receive or expend federal funds during the year.

Section II – Financial Statement Findings

2018-001

Statement of Condition: Five instances totaling \$4,500 were noted where employee compensation was not processed through the payroll system and, as such, was not subject to applicable state and federal tax withholdings.

Criteria: Internal Revenue Service and the Louisiana Department of Labor regulations require that all compensation paid to employees be subject to federal and state tax withholdings and reported on the employees’ annual Forms W-2.

Effect of Condition: The Commission is not in compliance with applicable federal and state payroll tax regulations and, as such, could be penalized for inaccurate payroll reporting.

Recommendation: We recommend that all compensation paid be included on the affected employees’ payroll checks, and subsequently on the annual Forms W-2.

Section III – Internal Control Findings

This section is not applicable.

Section IV – Findings and Questioned Costs – Major Federal Award Program Audit

This section is not applicable.

**River Parish Convention, Tourist,
& Visitors Commission
State of Louisiana**
Schedule of Prior Findings and Resolution Matters
As of and for the Year Ended June 30, 2018

Note: All prior findings relate to the June 30, 2017 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

No Budget Amendment

Condition: The Commission did not amend its budget during the year when actual expenditures exceeded budgeted expenditures by greater than 5%.

Recommendation: We recommend that the Commission adopt procedures that will require it to monitor budget to actual revenues and expenditures at more frequent intervals, and amend the budget when a greater than 5% unfavorable variance in revenue or expenditures is identified.

Planned Action: The Commission will implement the recommendation as detailed above.

Status: Resolved.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

**River Parish Convention, Tourist,
& Visitors Commission
State of Louisiana**
Management's Corrective Action Plan for Current Year Findings
As of and for the Year Ended June 30, 2018

The contact person for all corrective actions note below is Mr. Buddy Boe, Executive Director.

Section I – Internal Control and Compliance Material to the Financial Statements

Improper Payment of Wages

Condition: Five instances were noted where employee compensation was not processed through the payroll system and, as such, was not subject to applicable state and federal tax withholdings.

Recommendation: We recommend that all compensation paid be included on the affected employees' payroll checks, and subsequently on the annual Forms W-2.

Planned Action: The Commission will implement the recommendation as detailed above.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
River Parishes Convention, Tourist,
& Visitors Commission
LaPlace, Louisiana

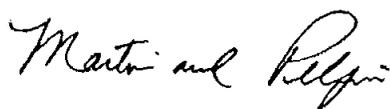
We have performed the procedures enumerated below, which were agreed to by the management of River Parishes Convention, Tourist, & Visitors Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Commission's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are described on pages 33-48.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C 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.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report 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.



Houma, Louisiana
December 10, 2018

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

The required procedures and our findings are as follows:

Procedures performed on the Commission's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the Commission's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and inspected the written policy for budgeting and found it to contain the elements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) 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

Performance: Obtained and read the written policy for purchasing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) 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

Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements listed above. Determined that the completeness of all collections was performed by the Director of Communications or the Director of Sales and Business Development of the Commission.

Exceptions: There were no exceptions noted.

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

Management's response: Not applicable.

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Performance: Determined that the procedures under #1e could be excluded as the Commission's staff are employees of St. James Parish and would, therefore, follow the payroll/personnel policy of St. James Parish.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Performance: Inquired management of its written policies related to contracting.

Exceptions: Although management has a written policy for contracting, it does not mention the types of services requiring written contracts, legal review, the approval process for contracts over \$2,500 or for periods longer than twelve months, or the monitoring process.

Management's response: Management will consider adding these elements to the policy for contracting.

- g) Credit Cards (and debit cards, fuel cards, P-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

Performance: Obtained and read the written policy for credit cards and found it contained all requirements listed above, except as noted below.

Exceptions: Management's policy on credit cards does not include specific transactions to fall under allowable business uses, except for travel expenses in the travel policy. The credit card policy only mentions that the cards are to be used for "official business" of the Commission. Also, any non-approved expense charged on a company credit card must be reimbursed by the employee.

Management's response: Management will consider adding allowable business uses to the written credit card policy.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy

Performance: Obtained and read the ethics policy.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- j) Debt service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: Determined that this policy is not applicable as the Commission has no debt service.

Board of Finance Committee

2. 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:
- a) 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.

Performance: Obtained and read the written minutes of board meetings. Determined the frequency of the board minutes.
Exceptions: Determined that meeting was not held in July 2017.
Management's response: Board meetings will be held every month.

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, as well as monthly financial statements.

Performance: Inspected the meeting minutes and budget-to-actual comparisons for the General Fund.

Exceptions: The meeting minutes do not reference monthly budget-to-actual comparisons for the General Fund, but they are attached to the meeting minutes. There were instances where it was not noted in the minutes if the monthly financial statements or the budget was discussed.

Management's Response: This issue was resolved in May 2018.

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Performance: Determined that the Commission did not have a negative ending unrestricted fund balance in the prior year audit report.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Bank Reconciliations

3. Obtain a listing of client 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 four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

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

Performance: Determined that the procedures under #3 could be excluded as the Commission did not have any exceptions in the Bank Reconciliations category in the prior year.

Collections

4. 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 five deposit sites (or all deposit sites if less than five).

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

5. 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 (i.e. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Determined that there are no cash collections. As such, there are no cash drawers/registers to be shared by employees.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

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

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits. Determined that there was a proper segregation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Each employee responsible for collecting cash is not 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.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers. Determined that there was a proper segregation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers. Determined that there was a proper segregation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Performance: Determined that the procedures under #6 could be excluded as the Commission's staff are employees of St. James Parish. St. James Parish covers these leased employees with a bond.

**River Parishes Convention, Tourist,
& Visitors Commission**
State of Louisiana
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the ten deposits and:

a) Observe that receipts are sequentially pre-numbered.

Performance: Determined that sequentially pre-numbered receipts are not required for the type of deposits that are received at the Commission.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips. Noted that all collections were supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) 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 ten miles from the collection location or the deposit is less than \$100).

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

Exceptions: The deposits tested, except for one, were not deposited within one business day.

Management's response: Management will ensure that deposits are made in a timely manner.

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- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. For each location selected under #8 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, and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- c) 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.

Performance: Inspected policy and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- d) 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.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

10. For each location selected under #8 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 five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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- a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Determined that the five random disbursements matched their respective original invoices.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: While each disbursement was approved by two employees and the respective payment was signed by a board member, each disbursement included the lack of segregation of duties noted in #9 above.

Management's response: These duties have been segregated, and this issue is now resolved.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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:

- a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.

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Performance: Observed written approvals of credit card transactions. Management reviews all transactions and then traces each transaction to the back-up that is provided by the person incurring charge.

Exceptions: One credit card statement did not have two approval signatures for payment.

Management's response: The board member's signature serves as approval.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Traced selected credit card statements to determine if any finance charges or late fees were applied to balances.

Exceptions: One credit card included an interest charge of \$51.51.

Management's response: Credit card charges will be avoided in the future.

13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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).

Performance: Observed whether randomly selected credit card transactions were supported by the items listed above.

Exceptions: Twenty-four transactions did not have written documentation of the business/public purpose.

Management's response: Management will ensure that only credit card purchases supported by an original, properly documented receipt will be paid by the Commission.

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

14. 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

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- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Determined if the two randomly selected reimbursements using per diems agreed with the appropriate governmental rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Determined if the randomly selected travel reimbursements using actual costs were supported by an original itemized receipt that identifies precisely what was purchased.

Exceptions: Three transactions were missing original itemized receipts.

Management's response: Management will take greater care to keep all original itemized receipts.

- c) 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 policy (procedure #1h).

Performance: Determined if the randomly selected travel reimbursements were supported by documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Determined that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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Contracts

15. 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 five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter. Randomly selected five contracts to determine if they complied with the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Determined that the contracts tested were not subject to the Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Performance: Inspected board meeting minutes to determine if the board approved the contracts.

Exceptions: Two of the five contracts were not discussed in the board minutes.

Management's response: The board will discuss and approve all contracts before they are signed.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Performance: Determined that the one contract that was amended during the year had original contract terms which provided for the amendment.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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- d) Randomly select one payment from the fiscal period for each of the five 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.

Performance: Inspected one invoice and payment from each of the five contracts to determine if the invoice and related payment complied with the terms of each respective contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Determined that the procedures under #16 could be excluded as the Commission utilizes leased employees from St. James Parish.

17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Performance: It was determined that the procedures under #17 could be excluded as the Commission utilizes leased employees from St. James Parish. As such, St. James Parish is responsible for this documentation.

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18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Performance: Determined that the procedures under #18 could be excluded as the Commission utilizes leased employees from St. James Parish. The two leased employees that were terminated during the year would receive termination payments from St. James Parish, if applicable.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Determined that some of the procedures under #19 could be excluded as the Commission utilizes leased employees from St. James Parish. Payroll taxes, retirement contributions, and workers' compensation premiums were paid to St. James Parish. St. James Parish was required to make these payments by deadline dates. Determined whether health insurance premiums and associated forms have been filed by the required deadlines.

Exceptions: No exceptions noted.

Management's response: Not applicable.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Commission's ethics policy during the fiscal period.

Performance: Determined that the procedures under #20 could be excluded as the Commission did not have any exceptions in the Ethics category in the prior year.

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Debt Service

This section is not applicable. The Commission has no debt service.

Other

21. 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.

Performance: Determined that the procedures under #21 could be excluded as the Commission did not have any exceptions in the Other category in the prior year.

22. 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.

Performance: Determined that the procedures under #22 could be excluded as the Commission did not have any exceptions in the Other category in the prior year.