

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

FINANCIAL REPORT

(Reviewed)

December 31, 2017

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

TABLE OF CONTENTS

December 31, 2017

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT		1
FINANCIAL STATEMENTS		
Statements of Financial Position	A	3
Statements of Activities	B	4
Statements of Cash Flows	C	5
Notes to Financial Statements	D	6
SUPPLEMENTARY INFORMATION	<u>Schedule</u>	
Schedules of Program Services and Expenses	1	10
Schedule of Compensation, Benefits, and Other Payments to Agency Head	2	11
Independent Auditors' Report on Applying Agreed-Upon Procedures		12
Louisiana Attestation Questionnaire		15
Schedule of Findings and Responses		17



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Louisiana Charter Boat Association, Inc.
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of the **LOUISIANA CHARTER BOAT ASSOCIATION, INC. (Association)** (a non-profit corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of many material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonably basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying schedules of Program Services and Expenses and Schedule of Compensation, Benefits, and Other Payments to the Agency Head, on pages 10 and 11, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
June 30, 2018

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

(See Independent Accountants' Review Report)

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 338,165	\$ 192,261
Grants receivable	<u>-</u>	<u>64,605</u>
Total current assets	338,165	256,866
EQUIPMENT, net of accumulated depreciation	<u>33</u>	<u>428</u>
Total assets	<u>\$ 338,198</u>	<u>\$ 257,294</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued expenses	\$ 14,767	\$ 2,997
NET ASSETS		
Unrestricted	<u>323,431</u>	<u>254,297</u>
Total liabilities and net assets	<u>\$ 338,198</u>	<u>\$ 257,294</u>

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

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the year then ended December 31, 2017 and 2016

(See Independent Accountants' Review Report)

	<u>2017</u>	<u>2016</u>
REVENUES AND SUPPORT		
Grants:		
State assistance	\$ 379,415	\$ 358,290
Interest and other	<u>-</u>	<u>1,235</u>
 Total revenues and support	 <u>379,415</u>	 <u>359,525</u>
 EXPENSES		
Program:		
Promotional	145,073	126,902
Administration	120,219	92,638
Management and general	<u>44,989</u>	<u>32,118</u>
 Total expenses	 <u>310,281</u>	 <u>251,658</u>
 Increase in net assets	 69,134	 107,867
 NET ASSETS - UNRESTRICTED		
Beginning of year	<u>254,297</u>	<u>146,430</u>
 End of year	 <u>\$ 323,431</u>	 <u>\$ 254,297</u>

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

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the year then ended December 31, 2017 and 2016

(See Independent Accountants' Review Report)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 69,134	\$ 107,867
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	395	395
Change in operating assets and liabilities:		
Grants receivable	64,605	(64,605)
Prepaid expenses	-	811
Accrued expenses	<u>11,770</u>	<u>(6,133)</u>
Net cash provided by operating activities	145,904	38,335
CASH		
Beginning of year	<u>192,261</u>	<u>153,926</u>
End of year	<u>\$ 338,165</u>	<u>\$ 192,261</u>

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

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

The Louisiana Charter Boat Association, Inc. (the Association), founded in 1994, is a non-profit member organization of Charter Boat Captains with the goal of promoting high standards of professionalism among professional fishing guides and charter boat operators in the State of Louisiana. The mission of the Association is to encourage and increase business for licensed professional fishing guides and charter boat operators, to create a unified body or representation that will allow a spoken voice to be heard in the Louisiana Legislature, Louisiana Wildlife and Fisheries, the United States Congress and other agencies, to strive for conservation of Louisiana's valued coastal marine resources, and to encourage licensing of all fishing guides and charter boat captains.

Basis of presentation

The accounting and reporting policies of the Association conform to generally accepted accounting principles.

Financial position and activities are to be reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. the Association did not have any temporarily or permanently restricted net assets at December 31, 2017 and 2016.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and in-kind revenues and related expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

For purposes of the statements of cash flows, the Association considers all highly liquid debt instruments, including money markets and certificates of deposits available for current use, with an initial maturity of three months or less, to be cash equivalents. There were no cash equivalents as of December 31, 2017 and 2016.

Grants receivable and allowance for doubtful accounts

Grants receivable are recorded at cost, net of an allowance for doubtful accounts. Management has determined that an allowance for doubtful accounts was not necessary since such amounts have been collected subsequent to the year ended December 31, 2016. There were no grant receivables as of December 31, 2017.

Equipment

Equipment purchased by the Association is recorded at cost and depreciated using the straight-line method over the estimated useful lives of the equipment.

Revenue and support

The Association reports grants and support received as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions. Restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Association records grant revenue as services are rendered. Temporarily restricted support consists of grants and support received for programs occurring or continuing in subsequent fiscal years which have been collected in the current fiscal year. Donated materials and equipment are recorded as contributions at their estimated values at date of receipt.

In-kind contributions

In-kind contributions to the Association have been recognized at the fair market value of the benefit received and consisted of supplies and materials. No in-kind contributions were received in 2017 and 2016.

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing these skills and would typically be purchased if not provided by donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

The Association is a nonprofit organization that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

The Association follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. the Association's open audit periods are 2015 through 2017.

Advertising

The Association follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$120,329 and \$86,111 for the years ended December 31, 2017 and 2016, respectively.

Subsequent events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 30, 2018, which is the date the financial statements were available to be issued.

NOTE 2 - EQUIPMENT

A summary of equipment at December 31, 2017 and 2016 is as follows:

	2017	2016
Machinery and equipment	\$ 3,185	\$ 3,185
Website	11,875	11,875
Total	15,060	15,060
Less: Accumulated depreciation	(15,027)	(14,632)
Total equipment, net	\$ 33	\$ 428

Depreciation expense was \$395 for the years ended December 31, 2017 and 2016, respectively.

NOTE 3 - PROGRAM AND OTHER SUPPORT

LA Act 40 - Legislation passed in House Bill No. 378 of the 2013 Louisiana Legislative Session assess an additional \$500 fee for each non-resident charter boat fishing guide license issued and an additional \$5 dollar fee for persons fishing with a licensed charter guide. The Legislation states that the funds shall be deposited to the Conservation Fund and used for promotion of the charter boat industry, protection of the fishery, and to provide for administrative cost of the fund and stipulates that the fees are to be expended for the stated purposes through the Louisiana Charter Boat Association.

NOTE 3 - PROGRAM AND OTHER SUPPORT (CONTINUED)

Support received from the Conservation Fund in accordance with LA Act 40 for the years ended December 31, 2017 and 2016 was \$347,940 and \$328,315, respectively.

LA Act 654 - Legislation passed in House Bill No. 498 of the 2010 Louisiana Legislative Session amended and reenacted Section 1. R.S. 56:302.9(0) to allocate 10% of fees collected each year from the sale of fishing boat fishing guide licenses to be used for promotion of the charter industry, protection of the fishery, and to provide for administrative cost of the Conservation Fund and stipulates that the fees are to be expended for the stated purposes through the Louisiana Charter Boat Association.

Support received from the Conservation Fund in accordance with LA Act 654 for the years ended December 31, 2017 and 2016 was \$31,475 and \$29,975, respectively.

NOTE 4 - CONTINGENCIES

In the normal course of operations, the Association receives support from various public agencies and private entities. Some of these activities are subject to audit by the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes the liability, if any, for any reimbursement, which may arise as a result or audits, would not be material.

Grants and bequests require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill these conditions could result in the return of the funds to grantors. Although this is a possibility, the Association deems the contingency remote, since, by accepting the gifts and their terms, it has accommodated the objectives of the organization to the provisions of the gifts. Contributions are from both the public and private sectors. Changes in the level of such support could adversely affect the ability of the Association to continue providing services.

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Association maintains its cash in a secured deposit account at a bank. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were \$89,818 in uninsured cash balances at December 31, 2017; no amounts were uninsured at December 31, 2016.

The Association depends on public and private organizations to provide grants and contributions to enable the Association to continue its activities. Approximately 100% and 99% of the Association's Support for the years ended December 31, 2017 and 2016, respectively, was received from the State of Louisiana - Department of Wildlife and Fisheries. Program details are discussed at Note 3.

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

SCHEDULES OF PROGRAM SERVICES AND EXPENSES

For the years then ended December 31, 2017 and 2016

(See Independent Accountants' Review Report)

	<u>2017</u>	<u>2016</u>
Program services:		
Promotional	\$ 145,073	\$ 126,902
Administration	<u>120,219</u>	<u>92,638</u>
 Total program services	 <u>265,292</u>	 <u>219,540</u>
Supporting services - management and general:		
Travel	14,827	4,674
Accounting	12,814	10,818
Entertainment	6,634	2,521
Dues and subscriptions	3,542	6,307
Office supplies	2,143	3,343
Insurance	2,896	1,713
Bank fees	1,176	638
Meetings	450	709
Depreciation	395	395
Other	<u>112</u>	<u>1,000</u>
 Total supporting services	 <u>44,989</u>	 <u>32,118</u>
 Total program and supporting services	 <u>\$ 310,281</u>	 <u>\$ 251,658</u>

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2017

Agency Head: Mr. Ben Weber, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 65,000
Conference travel	1,967
Mileage reimbursements	2,369
Meals	720
Registration fees	<u>1,050</u>
Total	<u>\$ 71,106</u>

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

December 31, 2017



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Louisiana Charter Boat Association, Inc.
Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide*, enumerated below, which were agreed to by the management of the **LOUISIANA CHARTER BOAT ASSOCIATION, INC.** (the Association), the Legislative Auditor, and applicable federal and state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Association's compliance with the certain laws and regulations for the year ended December 31, 2017 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Association is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards*, published by the United States Comptroller General. 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.

With respect to your representations relating to the federal, state, and local awards compliance, as of December 31, 2017, and for the year then ended, we applied the following agreed-upon procedures:

Federal, State, and Local Awards

- Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

The Association was awarded two State grants during the year ended December 31, 2017, as follows:

<u>Federal, State, or Local Grant Name</u>	<u>Grant Year</u>	<u>Award #</u>	<u>Amount expended</u>
Act 40 of the 2013 Legislative Session	2016	N/A	\$ 233,201
Act 654 of the 2010 Legislative Session	2016	N/A	21,096
Act 40 of the 2013 Legislative Session	2017	N/A	51,340
Act 654 of the 2010 Legislative Session	2017	N/A	<u>4,644</u>
Total			<u>\$ 310,281</u>

The Association did not receive any federal or local awards during 2017.

2. For each federal, state, and local award, we performed the following procedures:

We randomly selected six disbursements from each award administered during the period under examination, and traced the disbursements to supporting documentation as to amounts and payees. Upon reviewing twelve total cash disbursements, the Association had one exception for a disbursement of \$168 without supporting documentation.

Based on our review of disbursements, the state awards complied with the grant agreements, in terms of activities allowed or unallowed, eligibility, and reporting.

3. For the programs selected for testing in Item 2 that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Neither State award was closed out during the period under review.

4. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

The open meetings law is not applicable to the Association.

5. For all grants exceeding five thousand dollars, the grantee is required to provide the grantor with a comprehensive budget.

No budget was required to be submitted for Act 40 or Act 654 funds.

6. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

No prior year comments or suggestions were given to the Association.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for use of the Board of Directors and management of the Association, the Legislative Auditor (State of Louisiana), and the applicable federal/state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Faulk & Wampler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 30, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

6/30/2017

Faulk & Winkler, LLC

6811 Jefferson Highway

Baton Rouge, LA 70806

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2017 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended December 31, 2017

1. Summary of Independent Accountants' Review Report

A. Significant deficiencies in internal control were disclosed by the review of financial statements: **None.**

Material weakness: **None.**

B. Noncompliance which is material to the financial statements: **2017-001.**

2. Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: 2017-001.

3. FINDINGS - NONCOMPLIANCE

2017-001 – NONCOMPLIANCE WITH LOUISIANA AUDIT LAW

Criteria: Louisiana Revised Statute 24:513 sets forth the standards by which the engagements of quasi-public organizations (local auditees) are to be performed.

Condition: These standards require review/ attestation reports to be submitted six months after the local auditee's fiscal year end.

Cause: The Association did not submit its review reports to the Louisiana Legislative Auditor within six months after their fiscal year end.

Effect: The Association did not comply with Louisiana Revised Statute 24:513.

Recommendation: We recommend that the Association implements year end procedures to ensure all reporting requirements are met to prevent noncompliance with applicable laws and regulations.

Views of responsible officials: Management will ensure future reporting requirements will be met timely, furthermore, management believes this is an isolated incident.