

**TANGIPAHOA PARISH CONVENTION AND VISITORS BUREAU
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
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For the Year Ended December 31, 2018

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Independent Auditor's Report

Members of the Board of Directors
Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Convention and Visitors Bureau'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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau as of December 31, 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 budgetary comparison schedule, the schedule of the proportionate share of the net pension liability, and the schedule of contributions on pages 24, 25, and 26 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Parish Convention and Visitors Bureau's basic financial statements. The schedule of compensation paid to the board of directors and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of compensation paid to the board of directors and the schedule of compensation, benefits, and other payments to agency head 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 compensation paid to the board of directors and the schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the financial statements as a whole.

Tangipahoa Parish Convention and Visitors Bureau
June 17, 2019

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2019, on our consideration of the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting and compliance.

*James Lambert Riggs
& Associates*

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 17, 2019

Basic Financial Statements

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Statement of Net Position
December 31, 2018

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 1,114,176
Receivables, Net of Allowance for Uncollectibles	283,311
Investments	1,163,471
Restricted Cash	119,214
Net Pension Asset	38,118
Capital Assets Not Being Depreciated:	
Land	165,870
Capital Assets, Net of Accumulated Depreciation	<u>1,317,025</u>
Total Assets	<u><u>\$ 4,201,185</u></u>
Deferred Outflows of Resources	
Changes in Assumptions	\$ 48,111
Changes in Proportion and Differences Between Bureau Contributions and Proportionate Share of Contributions	87
Contributions Subsequent to the Measurement Date	<u>37,991</u>
Total Deferred Outflows of Resources	<u><u>\$ 86,189</u></u>
Liabilities	
Accounts Payable	\$ 13,744
Payroll Taxes Payable	<u>19,550</u>
Total Liabilities	<u><u>\$ 33,294</u></u>
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 24,675
Differences in Investments	88,064
Changes in Proportion and Differences Between Bureau Contributions and Proportionate Share of Contributions	<u>545</u>
Total Deferred Inflows of Resources	<u><u>\$ 113,284</u></u>
Net Position	
Net Investment in Capital Assets	\$ 1,482,895
Restricted	95,166
Unrestricted	<u>2,562,735</u>
Total Net Position	<u><u>\$ 4,140,796</u></u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Statement of Activities
For the Year Ended December 31, 2018

Exhibit B

	<u>Governmental Activities</u>
Expenses:	
Salaries and Related Benefits	\$ 496,012
Advertising & Promotion	754,515
Automobile	8,150
Commissioner Related	2,745
Dues / Subscriptions	15,651
Grant Expenditures	169,065
Insurance	10,836
Office Supplies	46,343
Operating Leases	5,867
Professional Fees	52,533
Repairs & Maintenance	49,790
Training	7,261
Other	817
Utilities	34,460
Depreciation Expense	<u>154,252</u>
Total Expenses	1,808,297
 Program Revenues:	
Operating Grant Revenue	<u>169,065</u>
Total Program Revenues	<u>169,065</u>
Net Program (Expense) / Revenue	(1,639,232)
 General Revenues:	
Taxes, Net of Collection Fees	828,523
Intergovernmental	547,974
Interest	24,275
Other Revenue	24,078
Contributions from Non-Employer Contributing Entities	<u>3,818</u>
Total General Revenues	<u>1,428,668</u>
Excess / (Deficiency) of Revenues over Expenditures	(210,564)
 Net Position - Beginning of the Year	 <u>4,351,360</u>
Net Position - End of the Year	\$ <u>4,140,796</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Governmental Fund Balance Sheet
December 31, 2018

Exhibit C

Assets

Cash and Cash Equivalents	\$ 1,114,176
Receivables, Net of Allowance for Uncollectibles	283,311
Investments	1,163,471
Restricted Cash	<u>119,214</u>
 Total Assets	 <u>\$ 2,680,172</u>

Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ 13,744
Payroll Taxes Payable	<u>19,550</u>
Total Liabilities	33,294

Fund Balance:

Fund Balance - Restricted	95,166
Fund Balance - Committed	1,010,000
Fund Balance - Unassigned	<u>1,541,712</u>
Total Fund Balance	<u>2,646,878</u>

Total Liabilities and Fund Balance	<u>\$ 2,680,172</u>
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The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2018

Exhibit D

Total Fund Balance, Governmental Fund (Exhibit C) \$ 2,646,878

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Net Investment in Capital Assets 1,482,895

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension asset related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Asset 38,118
Deferred Outflows of Resources 86,189
Deferred Inflows of Resources: (113,284)

Net Position of Governmental Activities (Exhibit A) \$ 4,140,796

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2018

Exhibit E

Revenues:

Taxes, Net of Collection Fees	\$	828,523
Intergovernmental		547,974
Interest		24,275
Grant Revenue		169,065
Other Revenue		<u>24,078</u>
Total Revenues		<u>1,593,915</u>

Expenditures:

Salaries & Related Benefits		485,306
Advertising & Promotion		754,515
Automobile		8,150
Commissioner Related		2,745
Dues / Subscriptions		15,651
Grant Expenditures		169,065
Insurance		10,836
Office Supplies		46,343
Operating Leases		5,867
Professional Fees		52,533
Repairs & Maintenance		49,790
Training		7,261
Uniforms		817
Utilities		34,460
Capital Outlay		<u>24,756</u>
Total Expenditures		<u>1,668,095</u>

Excess (Deficiency) of Revenues over Expenditures		(74,180)
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Fund Balance - Beginning of the Year		<u>2,721,058</u>
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Fund Balance - End of the Year	\$	<u><u>2,646,878</u></u>
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The accompanying notes are an integral part of this statement.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Exhibit F

Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balance, Governmental Fund (Exhibit E) \$ (74,180)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	24,756
Depreciation Expense	(154,252)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension asset related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense	(10,706)
Contributions from Non-Employer Contributing Entities	<u>3,818</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ (210,564)

Tangipahoa Parish Convention and Visitors Bureau

Hammond, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2018

Narrative Profile

The Tangipahoa Parish Convention and Visitors Bureau (hereafter referred to as the "Bureau") was created by Ordinance No. 79-12-1 of the Tangipahoa Parish Council (hereafter referred to as "Parish Council") as provided by Louisiana Revised Statutes (LRS) 33:4574-4574.3. The purpose and duties of the Bureau are to promote tourism within Tangipahoa Parish. The Bureau is governed by a board of eight directors appointed by the Parish Council for three-year terms.

To fund the operations of the Bureau, a four percent tax is levied upon the rental or fee charged for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within Tangipahoa Parish. The Sheriff of Tangipahoa Parish acts as collecting agent for the tax for a fee of five percent of the taxes collected. The Bureau presently has six (6) full-time employees and seven (7) part-time, which staff a full-time tourist information center in Hammond, Louisiana.

The accounting and reporting policies of the Bureau conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute (LRS) 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council (hereinafter referred to as the "Council") is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the Council appoints the board members, the Bureau was determined to be a component unit of the Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements – Government-Wide Financial Statements

The Bureau's basic financial statements include both government-wide (reporting the Bureau's office as a whole) and fund financial statements (reporting the Bureau's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All Bureau activities are classified as governmental activities. The Bureau has no business-type activities.

Statement of Net Position – In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Bureau's net position is reported in three parts – net investment in capital assets;

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

restricted net position; and unrestricted net position. The Bureau first utilizes restricted resources to finance qualifying activities.

Statement of Activities – The government-wide Statement of Activities reports both the gross and net cost of the Bureau’s functions. The functions are also supported by general revenues (hotel / motel taxes, state allocations, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the ongoing operations of the Bureau. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants report capital-specific grants and contributions. The net costs (by function) are normally covered by general revenues.

The Bureau does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Bureau as an entity and the change in the Bureau’s net position resulting from the current year’s activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Bureau are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and business-type combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The Bureau has no business-type funds.

Governmental Funds – The focus of the governmental funds’ measurement (in the fund statements) is the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The Bureau reports the following governmental fund:

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

The activities reported in this fund are reported as governmental activities in the government-wide financial statements.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Capital assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balances.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

The government-wide Statement of Net Position and Statement of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the Statement of Net Position.

The fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The Bureau considers all revenues available if they are collected within 60 days after year-end. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the fund liability is incurred.

The Statement of Net Position and the Statement of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

E. Budgetary Practices

In accordance with LRS 33:4574.2, the Bureau prepared and submitted its annual budget to the Parish Council for approval. The Parish Council approves the annual budget submitted by the Bureau through the adoption of a parish ordinance. Amendments to the adopted budget require approval of the Parish Council in the same manner as the adoption of the original budget. The Bureau prepares its budget on the modified accrual basis of accounting. The budgets presented in these financial statements are as originally adopted, or amended, if applicable.

F. Cash and Investments

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

G. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the Bureau's capitalization threshold is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

H. Pension Plan

For purposes of measuring the net pension liability / (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

position of the Bureau's pension plan and additions to / deductions from the plan's fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. Compensated Absences

Each full-time employee shall be entitled to vacation leave with pay. Vacation leave shall accrue in accordance with the following schedule of continuous service on each employee's anniversary date:

- One Year – Five Days
- Two through Nine Years – Ten Days
- Ten Years and over – Fifteen Days

Employees may carry vacation time over to their next anniversary year not to exceed 240 hours. Upon separation from service, employees are paid at their current rate of pay for any accrued vacation leave.

Each full-time employee shall be entitled to sick leave with pay. Sick leave shall accrue at the rate of one day for each month of continuous employment until a maximum of 1,440 hours has been accumulated. Accrued sick time is not paid at termination of employment.

Compensatory Time – K-Time shall be calculated at one and one-half hours for each hour of overtime earned. Employees may accumulate compensatory time until the balance reaches 80 hours. Subsequent overtime earned must be paid as overtime and no longer accumulated as compensatory time. Upon separation from service, compensatory time is payable at the employee's current rate of pay.

Total unused benefit time was considered immaterial at December 31, 2018, and has not been reflected in these financial statements.

J. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted 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.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

When both restricted and unrestricted resources are available for use, it is the Bureau's policy to use restricted resources first, then unrestricted resources as they are needed.

Tangipahoa Parish Convention and Visitors Bureau

Hammond, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

K. Fund Balance

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

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for the specific purposes due to enabling legislation, State, or Federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the Bureau’s highest level of decision-making authority).
4. Assigned Fund Balance – amounts intended to be used by the Bureau for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

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

As of December 31, 2018, the Bureau did not have any nonspendable or assigned fund balances.

L. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year-end. See Note 1 for the procedures the Bureau follows regarding budgets and budgetary accounting. The Bureau complied with all aspects of the Louisiana Local Government Budget Act.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash, cash equivalents, and investments, the Bureau complied with the deposits and investments laws and regulations.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

C. Deficit Fund Equity

As of December 31, 2018, the Bureau had no funds with deficit fund equities.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the Bureau has cash totaling \$1,233,390 (of which \$119,214 is restricted) and investments totaling \$1,163,471 at December 31, 2018.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held by and in the name of the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of cash and investments (bank balances) at December 31, 2018, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 1,119,214
Collateralized:	
Collateral held by the Bureau's agent in the Bureau's name	-
Collateral held by pledging bank's trust department in the Bureau's name	-
Collateral held by pledging bank's trust department not in the Bureau's name	1,309,756
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 2,428,970</u>

Even through the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Bureau that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the Bureau's deposits may not be returned to it. The Bureau does not have a deposit policy for custodial risk. As of December 31, 2018, the Bureau was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

4. Receivables

Accounts receivable at December 31, 2018, consisted of the following:

4% Hotel, Motel, and Campground Taxes	
due from Tangipahoa Parish Sheriff	\$ 130,790
Accrued Interest Receivable	10,143
State Appropriations Receivable	<u>142,378</u>
Total Amounts Due	<u>\$ 283,311</u>

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

The Bureau calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. No allowance for uncollectible receivables is required at December 31, 2018.

5. Capital Assets

Capital asset activity for the year ended December 31, 2018, including depreciation expense of \$154,252, is as follows:

Description	Balance 12/31/2017	Increases	Decreases	Balance 12/31/2018
Capital Assets Not Depreciated:				
Land	\$ 165,870	\$ -	\$ -	\$ 165,870
Other Capital Assets:				
Buildings	1,691,875	-	-	1,691,875
Vehicles	16,581	-	-	16,581
Equipment	159,545	24,756	-	184,301
Furniture	210,354	-	-	210,354
Improvements	348,563	-	-	348,563
Total Other Capital Assets	2,426,918	24,756	-	2,451,674
Less: Accumulated Depreciation	(980,397)	(154,252)	-	(1,134,649)
Other Capital Assets, Net	1,446,521	(129,496)	-	1,317,025
Total	\$ 1,612,391	\$ (129,496)	\$ -	\$ 1,482,895

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method of the estimated useful lives as follows:

Vehicles	5 Years
Furniture	7 Years
Equipment	5 Years
Buildings	40 Years

6. Employee Pension Plan – Parochial Employees’ Retirement System of Louisiana

General Information about the Pension Plan

Plan Description – Employees of the Bureau are eligible for participation in the Parochial Employees’ Retirement System of Louisiana (the “System”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 205 of the 1952 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.persla.org. The report may also be obtained by writing to the Parochial Employees’ Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

Benefits Provided – The System provides retirement, disability, and death benefits. For employees hired prior to January 1, 2007, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average salary for each year of creditable service. For employees hired after January 1, 2007, employees who retire at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average salary for each year of creditable service. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Under state law, cost of living increases to benefits are allowable for up to 2.0% or 2.5%, depending on the employee’s age and retirement date.

Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System’s Board of Trustees. Employees are required to contribute 9.50% of their annual pay. The Bureau’s contractually required contribution rate was 11.50% for 2018. Contributions to the System from the Bureau were \$37,991 for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Bureau reported an asset of \$38,118 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Bureau’s proportion of the net pension asset was based on a projection of the Bureau’s December 31, 2018, contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Bureau’s proportion was 0.051355%, which was a decrease of 0.001792% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Bureau recognized pension expense of \$47,393. At December 31, 2018, the Bureau reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 24,675
Changes of Assumptions	48,111	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	88,064
Changes in Proportion and Differences Between the Bureau's Contributions and Proportionate Share of Contributions	87	545
Bureau Contributions Subsequent to the Measurement Date	37,991	-
	\$ 86,189	\$ 113,284

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

\$37,991 reported as deferred outflows of resources related to pensions resulting from Bureau contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability / (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:

December 31, 2018	\$ 5,611
December 31, 2019	(5,989)
December 31, 2020	(29,840)
December 31, 2021	(34,902)
	\$ (65,120)

Actuarial Assumptions – The total pension liability / (asset) in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, Net of Investment Expense
Expected Remaining Service Lives	4 Years
Projected Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.50%

The mortality rate assumption used in the December 31, 2017, valuation was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35.00%	1.24%
Equity	52.00%	3.57%
Alternatives	11.00%	0.69%
Real Assets	2.00%	0.12%
Total	100.00%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

Discount Rate – The discount rate used to measure the total pension liability / (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems’ Actuarial Committee (“PRSAC”) taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability / (asset).

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2018

Sensitivity of the Bureau's Proportionate Share of the Net Pension Liability / (Asset) to Changes in the Discount Rate – The following presents the Bureau's proportionate share of the net pension liability / (asset) calculated using the discount rate of 6.75%, as well as what the Bureau's proportionate share of the net pension liability / (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	<u>1.0% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.0% Increase (7.75%)</u>
Bureau's Proportionate Share of the Net Pension Liability / (Asset)	\$ 187,936	\$ (38,118)	\$ (229,133)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of December 31, 2018, the Bureau had payables totaling \$19,550 due to the System, which represents the employee and employer's share of the 4th quarter 2018 contributions.

7. Other Postemployment Benefits

The Bureau offers a retirement group insurance plan to qualifying employees upon separation of services. The plan includes employer provided health insurance benefits offered to current full-time employees. In order to qualify for participation in the plan, an employee must have at least twenty-five years in the Parochial Employees' Retirement System. The participant must also have been covered under the employee group insurance plan for at least one year prior to retirement. A plan participant may only select coverage up to the extent that the participant had coverage under the employee plan for the year prior to retirement. The Bureau covers the cost of the premium for the retired employee for a maximum of three years or until the retired employee is eligible for Medicare, whichever comes first. The retired employee may elect to continue coverage on dependents, however, the Bureau does not share in the cost.

No accrual for other postemployment benefits has been made as of December 31, 2018, as the amount is immaterial.

8. Restricted Fund Balance / Net Assets

The restricted fund balance / net assets include funds that can only be used for Southeast Louisiana Gumbo. Southeast Louisiana Gumbo is an alliance of several parish tourist commissions located in south Louisiana whose goal is to promote tourism in the area. Each member contributes to the alliance and funds are maintained in a separate bank account. The Bureau has been entrusted with the custody of these funds.

9. Committed Fund Balance

The committed fund balance includes funds that were designated by the Board of Directors for future technology, infrastructure, and improvements.

Tangipahoa Parish Convention and Visitors Bureau

Hammond, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2018

10. Leases

The Bureau is leasing a copier under a five-year operating lease, expiring in August 2018. The lease is dated August 1, 2012, with the first payment being due for September 2012. After August 2018, the lease extends on a month-to-month basis, unless terminated by either party.

The Bureau is leasing a Pitney Bowes Postage Meter under a sixty-month operating lease dated July 16, 2011, expiring in June 2015. During 2015, this was extended for an additional 60 months, expiring in June 2020.

The following is a schedule of future minimum lease payments required under the above operating leases as of December 31, 2018:

December 31, 2019	\$ 1,248
December 31, 2020	<u>624</u>
	<u>\$ 1,872</u>

Lease payments amounted to \$5,867 in 2018.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 17, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplementary Information

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Schedule 1

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (GAAP Basis) and Actual – General Fund
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
Revenues:				
Taxes	\$ 800,000	\$ 800,000	\$ 872,130	\$ 72,130
Less: Collection Fee	(40,000)	(40,000)	(43,607)	(3,607)
Intergovernmental	450,000	405,600	547,974	142,374
Interest	12,000	12,000	24,275	12,275
Grant Revenue	-	169,000	169,065	65
Other Revenue	-	-	24,078	24,078
Total Revenues	<u>1,222,000</u>	<u>1,346,600</u>	<u>1,593,915</u>	<u>247,315</u>
Expenditures:				
Current:				
Salaries & Related Benefits	507,200	507,200	485,306	21,894
Advertising & Promotion	648,600	834,500	754,515	79,985
Automobile	9,000	9,000	8,150	850
Commissioner Related	2,000	2,000	2,745	(745)
Dues & Subscriptions	-	-	15,651	(15,651)
Grant Expenditures	-	169,000	169,065	(65)
Insurance	13,200	13,200	10,836	2,364
Office Supplies	42,000	42,000	46,343	(4,343)
Operating Leases	5,000	5,000	5,867	(867)
Professional Fees	53,000	53,000	52,533	467
Repairs & Maintenance	36,000	36,000	49,790	(13,790)
Training	-	-	7,261	(7,261)
Uniforms	-	-	817	(817)
Utilities	36,000	36,000	34,460	1,540
Capital Outlay	<u>150,000</u>	<u>85,000</u>	<u>24,756</u>	<u>60,244</u>
Total Expenditures	<u>1,502,000</u>	<u>1,791,900</u>	<u>1,668,095</u>	<u>123,805</u>
Excess (Deficiency) of Revenues over Expenditures	(280,000)	(445,300)	(74,180)	371,120
Fund Balance:				
Beginning of the Year	<u>2,650,217</u>	<u>2,734,803</u>	<u>2,721,058</u>	<u>(13,745)</u>
End of the Year	<u>\$ 2,370,217</u>	<u>\$ 2,289,503</u>	<u>\$ 2,646,878</u>	<u>\$ 357,375</u>

See independent auditor's report.

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana**

Schedule 2

Schedule of the Bureau's Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2018

<u>Fiscal Year*</u>	<u>Bureau's Proportion of the Net Pension Liability / (Asset)</u>	<u>Bureau's Proportionate Share of the Net Pension Liability / (Asset)</u>	<u>Bureau's Covered Employee Payroll</u>	<u>Bureau's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2018	0.051355%	\$ (38,118)	\$ 330,358	-11.54%	101.98%
2017	0.053147%	\$ 109,457	\$ 316,099	34.63%	94.15%
2016	0.051693%	\$ 136,071	\$ 315,194	43.17%	92.23%
2015	0.052752%	\$ 14,423	\$ 312,965	4.61%	99.15%
2014	0.066969%	\$ 4,759	\$ 363,623	1.31%	99.77%

* The amounts presented for each fiscal year were determined as of December 31 of that year

See independent auditor's report.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
 Schedule of Bureau Contributions
 For the Year Ended December 31, 2018

Schedule 3

<u>Fiscal Year*</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>Bureau's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2018	\$ 37,991	\$ 37,991	\$ -	\$ 330,358	11.50%
2017	\$ 40,764	\$ 40,764	\$ -	\$ 316,099	12.90%
2016	\$ 40,975	\$ 40,975	\$ -	\$ 315,194	13.00%
2015	\$ 50,074	\$ 50,074	\$ -	\$ 312,965	16.00%
2014	\$ 60,907	\$ 60,907	\$ -	\$ 363,623	16.75%

* The amounts presented for each fiscal year were determined as of December 31 of that year

See independent auditor's report.

Other Supplemental Information

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
 Schedule of Compensation Paid to the Board of Directors
 For the Year Ended December 31, 2018

Schedule 4

<u>Name and Address</u>	<u>Position</u>	<u>Compensation</u>	<u>Term Expires</u>
Daryl Ferrara 18114 Bradford Drive Hammond, LA 70403	Director	\$ -	April 2021
Alison Blades 22109 Highway 1061 Amite, LA 70422	Director	-	April 2018
Amy Kinchen Hoyt 30081 Leslie Street Albany, LA 70711	Director	-	April 2020
Carolyn Pugh 1600 SE Railroad Avenue Ponchatoula, LA 70454	Director Co-Chairman	-	April 2020
Wesley Ridgedell 19228 Highway 40 Loranger, LA 70446	Director / Chairman	-	April 2019
Nita Vedros 21544 Highway 190 East Hammond, LA 70401	Director	-	April 2020
Rev. Jerry Hanible P.O Box 206 Hammond, LA 70404	Director	-	April 2019
Dr. Leslie Mabry, Jr. P.O. Box 744 Amite, LA 70422	Director	-	April 2019
Alvin Stevens 65304 Highway 1058 Roseland, LA 70456	Director	-	April 2021
		<u>\$ -</u>	

See independent auditor's report.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018

Schedule 5

Agency Head: Carla Tate, Executive Director

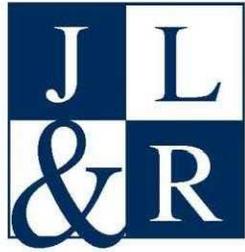
Purpose	Amount
Salary	\$ 78,489
Benefits - Insurance	15,098
Benefits - Retirement	9,026
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	4,534
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	\$ 107,147

See independent auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Megan E. Lynch, CPA
Christie J. Barado
B. Jacob Steib
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



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American Institute of CPAs
Society of Louisiana CPAs

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*

Members of the Board of Directors
Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau, as of for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Convention and Visitors Bureau's basic financial statements, and have issued our report thereon dated June 17, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tangipahoa Parish Convention and Visitors Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Convention and Visitors Bureau's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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

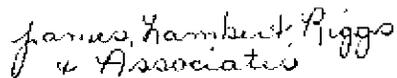
As part of obtaining reasonable assurance about whether the Tangipahoa Parish Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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

Tangipahoa Parish Convention and Visitors Bureau
June 17, 2019

tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 17, 2019

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements, and have issued our report thereon dated June 17, 2019. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	___	Yes	_X_	No
Significant Deficiencies	___	Yes	_X_	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	_X_	No
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2. Management Letter

Was a management letter issued?	___	Yes	_X_	No
---------------------------------	-----	-----	-----	----

Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

**Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2018**

<u>Ref. #</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Tangipahoa Parish Convention and Visitors Bureau.

TANGIPAOA PARISH CONVENTION & VISITORS BUREAU
STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Ms. Carla Tate, Executive Director
and Board of Commissioners
Tangipahoa Parish Convention & Visitors Bureau
Hammond, Louisiana

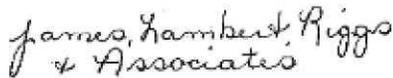
Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Tangipahoa Parish Convention & Visitors Bureau (the "Bureau") and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) of Tangipahoa Parish Convention & Visitors Bureau for the fiscal period January 1, 2018 through December 31, 2018. The Bureau's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of Tangipahoa Parish Convention & Visitors Bureau and the Louisiana Legislative Auditor. 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.

Our procedures and findings are detailed in Schedule "A"

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of Tangipahoa Parish Convention & Visitors Bureau and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 17, 2019

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations)

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

Results: The Bureau's policy included to above requirements with no exceptions noted.

- 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.

Results: The Bureau's policy included to above requirements with no exceptions noted.

- c) **Disbursements**, including processing, reviewing, and approving

Results: The Bureau's policy included to above requirements with no exceptions noted.

- 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 (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The Bureau's policy included to above requirements with no exceptions noted.

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

Results: The Bureau's policy included to above requirements with no exceptions noted.

- 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

Results: The Bureau's policy included to above requirements with no exceptions noted.

- 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, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: The Bureau's policy included to above requirements with no exceptions noted.

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

Results: The Bureau's policy included to above requirements with no exceptions noted.

- 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.

Results: The Bureau's policy included to above requirements with no exceptions noted.

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

Results: The Bureau does not have a written policy for debt service, as the Bureau has never had to issue debt.

Bank Reconciliations

2. 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: No exceptions were noted for the above listed procedure.

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

Results: No exceptions were noted for the above listed procedure.

- 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.

Results: No exceptions were noted for the above listed procedure.

Disbursements – General (excluding credit card / debit card / fuel card / P-Card purchases or payments)

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

Results: Management provided us with the required listing of locations that process payments as well as management's representation that the listing is complete.

4. For each location selected under #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their 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.

Results: No exceptions were noted for the above listed procedure.

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

Results: No exceptions were noted for the above listed procedure.

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.

Results: The employee responsible for processing payments is able to add / modify vendor files. Currently, no other employee is responsible for periodically reviewing changes to the vendor files.

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.

Results: No exceptions were noted for the above listed procedure.

5. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

Results: No exceptions were noted for the above listed procedure.

b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #4, as applicable.

Results: No exceptions were noted for the above listed procedure.



Amy Hoyt
Hotel/Lodging

Carolyn Pugh
Ponchatoula

Daryl Ferrara
Hammond

Wesley Ridgedell
Independence

Alvin Stevens
Kentwood

Nita Vedros
TCOA

Rev. Jerry Hanible
Hammond

Dr. Leslie Mabry
Amite

Carla Tate
Executive Director

June 17, 2019

James Lambert Riggs and Associates, Inc.

Post Office Drawer 369

Hammond, LA 70404

Tangipahoa Parish Convention & Visitors Bureau agree with our auditors, James Lambert Riggs & Associates, Inc. regarding our Statewide Agreed Upon Procedures (SAUP) Engagement and findings in Schedule "A" of the report.

Management is currently working on these areas of concern to resolve them. Our corrective actions are listed below.

4.c) *TPCVB will have the finance department create a new vendor form that the executive director for review and sign.*

The TPCVB Accounting Policy will be updated to reflect changes and approved by the TPCVB board.

Carla G. Tate

Executive Director

Tangipahoa Parish Convention & Visitors Bureau