

Financial Report

Jefferson Convention & Visitors Bureau, Inc.

December 31, 2017

Financial Report

Jefferson Convention & Visitors Bureau, Inc.

December 31, 2017

TABLE OF CONTENTS

Jefferson Convention & Visitors Bureau, Inc. Harahan, Louisiana

December 31, 2017 and 2016

	<u>Page Number</u>
Financial Section	
Independent Auditor's Report	1 - 2
Exhibits	
A - Statement of Financial Position	3
B - Statement of Activities	4 - 5
C - Statement of Cash Flows	6
D - Notes to the Financial Statements	7 - 14
Schedule	
1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	15
Special Reports of Certified Public Accountants	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	16 - 17
Schedule of Findings and Responses	18
Reports by Management	
Schedule of Prior Year Findings and Responses	19
Management's Corrective Action Plan on Current Year Findings	20
Statewide Agreed Upon Procedures (R.S.24:513)	
Independent Accountant's Report on Applying Agreed Upon Procedures	21 - 39

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") (a non-profit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bureau as of December 31, 2017, and its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

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

Report on Summarized Comparative Information

We have previously audited the Bureau's financial statements, and our report dated April 6, 2017, expressed an unmodified opinion, on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2016 is consistent, in all material respects, with the 2016 audited financial statements from which it has been derived.

Other Reporting Required of Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated May 29, 2018, on our consideration of the Bureau's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bureau's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
May 29, 2018.

STATEMENT OF FINANCIAL POSITION**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaDecember 31, 2017
(with comparative totals for 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Cash	\$ 1,677,524	\$ 966,159
Investments	421,417	417,363
Accounts receivable	340,357	169,873
Prepaid assets	134,249	28,923
Property and equipment, net	<u>52,334</u>	<u>49,082</u>
Total assets	<u>\$ 2,625,881</u>	<u>\$ 1,631,400</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 54,045	\$ 18,317
Deferred revenue	<u>21,400</u>	<u>17,350</u>
Total liabilities	<u>75,445</u>	<u>35,667</u>
Net Assets		
Unrestricted		
Board designated	273,587	214,536
Undesignated	<u>2,266,188</u>	<u>1,356,964</u>
Total unrestricted net assets	2,539,775	1,571,500
Temporarily restricted	<u>10,661</u>	<u>24,233</u>
Total net assets	<u>2,550,436</u>	<u>1,595,733</u>
Total liabilities and net assets	<u>\$ 2,625,881</u>	<u>\$ 1,631,400</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaFor the year ended December 31, 2017
(with comparative totals for 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Revenues and Other Support				
Occupancy tax revenue - Jefferson	\$ 1,233,003		\$ 1,233,003	\$ 1,224,065
Occupancy tax revenue - Kenner	191,191		191,191	219,182
Tourism support assessment	1,089,499		1,089,499	309,153
Family Gras	362,299		362,299	372,885
GTSPF private grant	100,000		100,000	18,860
Membership participation	55,650		55,650	50,700
Rhythm on the Route - Jefferson	45,056		45,056	59,072
Louisiana Office of Tourism	18,125		18,125	-
Interest	5,946		5,946	2,459
Other income	18,228		18,228	14,240
	<u>3,118,997</u>	<u>-</u>	<u>3,118,997</u>	<u>2,270,616</u>
Total revenues and other support				
Net Assets Released From Restrictions				
Expiration of time restrictions and program restrictions satisfied through payments	<u>13,572</u>	<u>\$ (13,572)</u>	<u>-</u>	<u>-</u>
	<u>3,132,569</u>	<u>(13,572)</u>	<u>3,118,997</u>	<u>2,270,616</u>
Total revenues and other support, net assets released from restrictions				

**Exhibit B
(Continued)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Expenses				
Depreciation	11,671		11,671	4,311
Insurance	25,664		25,664	18,496
Marketing and promotion:				
Collateral materials	14,280		14,280	6,517
Cooperative programs	61,550		61,550	29,000
Internet advertising	156,601		156,601	97,704
Media/brand management	294,248		294,248	214,908
Other	134,053		134,053	163,513
Product development	535,674		535,674	596,172
Rhythm on the Route	41,013		41,013	59,072
Trade shows/travel	97,297		97,297	78,060
Office equipment - services	9,389		9,389	10,833
Office equipment - rental/purchases	7,908		7,908	8,464
Office supplies	8,021		8,021	6,704
Postage	793		793	1,307
Professional/technical	64,395		64,395	76,746
Rent	7,680		7,680	7,680
Salaries and benefits	688,730		688,730	610,063
Telephone	5,327		5,327	5,192
	<u>2,164,294</u>	<u>-</u>	<u>2,164,294</u>	<u>1,994,742</u>
Change in Net Assets	968,275	(13,572)	954,703	275,874
Net Assets				
Beginning of year	<u>1,571,500</u>	<u>24,233</u>	<u>1,595,733</u>	<u>1,319,859</u>
End of year	<u>\$ 2,539,775</u>	<u>\$ 10,661</u>	<u>\$ 2,550,436</u>	<u>\$ 1,595,733</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**Jefferson Convention & Visitors Bureau, Inc.**

Harahan, Louisiana

For the year ended December 31, 2017

(with comparative totals for 2016)

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 954,703	\$ 275,874
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,671	4,311
Loss on disposal of equipment	-	491
(Increase) decrease in assets:		
Prepaid assets	(105,326)	7,583
Accounts receivables	(170,484)	(74,172)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	34,104	(20,033)
Deferred revenue	4,050	(6,800)
	<u>728,718</u>	<u>187,254</u>
Net cash provided by operating activities		
Cash Flows From Investing Activities		
Proceeds from sales of investments	-	325,000
Purchases of investments	(4,054)	(276,702)
Purchases of property and equipment	(13,299)	(35,000)
	<u>(17,353)</u>	<u>13,298</u>
Net cash provided by (used in) in vesting activities		
Net Increase in Cash	711,365	200,552
Cash		
Beginning of year	<u>966,159</u>	<u>765,607</u>
End of year	<u>\$ 1,677,524</u>	<u>\$ 966,159</u>

See notes to financial statements.

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

December 31, 2017 and 2016

Note 1 - NATURE OF ACTIVITIES

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

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

The Bureau is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. The Bureau is no longer subject to tax examinations by taxing authorities for years ended before 2014. As of December 31, 2017, management believes that the Bureau had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

b. Basis of Accounting

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Financial Statement Presentation

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Bureau and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor - imposed stipulations that they be maintained permanently by the Bureau. Generally, the donors of these assets permit the entity to use all or part of the income earned on related investments for general or specific purposes. The Bureau does not have any permanently restricted net assets as of December 31, 2017 and 2016.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, results could differ from those estimates.

e. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Bureau considers all investments purchased with an initial maturity of six months or less to be cash equivalents. As of December 31, 2017 and 2016, there were no cash equivalents.

f. Revenue Recognition

The Bureau receives the majority of its revenue from Jefferson Parish and the City of Kenner through Cooperative Endeavor Agreements based on the hotel occupancy tax. The Bureau also receives revenue from a private grant from the Gulf Tourism Seafood Promotion Fund.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Revenue Recognition (Continued)

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

Program revenue is recognized upon the completion of the event.

Contributions and grants are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor or grantor restrictions. Support that is restricted by a donor or grantor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions and grants whose restrictions are met in the same reporting periods are reported as unrestricted support.

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

The Bureau did not have any contributions during the years ended December 31, 2017 and 2016.

g. Allowance for Doubtful Accounts

An allowance for doubtful accounts is estimated based on the Bureau's historical losses, the existing economic conditions, and the financial stability of its customers and members. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible and establishes an allowance for estimated uncollectible accounts receivable. Management believes all accounts receivable are fully collectible as of December 31, 2017 and 2016.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Property and Equipment

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

i. Deferred Revenue

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

j. Allocated Expenses

The costs of providing various programs and other activities have been allocated among the programs and supporting services based on management's estimate of costs involved. See Note 10 for the allocations.

k. Advertising

The Bureau expenses advertising costs as they are incurred. Advertising costs (marketing and promotion) totaled \$1,334,716 and \$1,244,946 for the years ended December 31, 2017 and 2016, respectively. Advertising is comprised of marketing and promotion expenses.

l. Donated Services of Volunteers

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 financial statement presentation.

n. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 29, 2018, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The Bureau maintains its cash balances in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$250,000 per bank. Uninsured or non-guaranteed cash balances were approximately \$1,240,000 as of December 31, 2017.

Note 4 - DESIGNATED NET ASSETS

The Bureau's Board of Directors approved the dedication of certain unrestricted net assets solely for the purpose of expenditures attributable to the opening of a visitor center in Jefferson Parish or Board approved expenditures. These funds, maintained in a separate bank account, had a balance of \$273,587 and \$214,536 as of December 31, 2017 and 2016, respectively.

Note 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are restricted by grantors and donors for a specific purpose or designated for subsequent periods. Restrictions are considered to expire when payments for the designated purpose is made.

Note 5 - RESTRICTIONS ON NET ASSETS (Continued)

Temporarily restricted net assets as of December 31, 2017 and 2016 are as follows:

	2017	2016
City of Kenner - Pontchartrain Center	\$ 8,161	\$ 18,733
City of Kenner - events	2,500	5,500
Totals	\$ 10,661	\$ 24,233

Net assets of \$13,572 were released from restrictions by incurring expenses satisfying the restricted purpose during the year ended December 31, 2017.

Note 6 - INVESTMENTS

The Louisiana Asset Management Pool (LAMP), a local governmental investment pool, is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative by the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are registered to securities issues, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participant's shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The value for LAMP's total investments totaled \$421,417 and \$417,363 as of December 31, 2017 and 2016, respectively.

Note 7 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2017 and 2016 is as follows:

	2017	2016
Computer software	\$ 108,025	\$ 59,725
Equipment	37,941	36,317
Leasehold improvements	3,154	3,154
Work in process	-	35,000
	149,120	134,196
Accumulated depreciation	(96,786)	(85,114)
Totals	\$ 52,334	\$ 49,082

Depreciation expense for the years ended December 31, 2017 and 2016 was \$11,671 and \$4,311, respectively.

Note 8 - RENT EXPENSE

The Bureau rents office space from Jefferson Parish on a month-to-month basis under the Cooperative Endeavor Agreement. The monthly rent is \$640. Rent expense totaled \$7,680 for both the years ended December 31, 2017 and 2016.

Note 9 - EMPLOYEE BENEFIT PLAN

The Bureau established a defined contribution plan (Simple IRA) in 2007. The eligibility requirements for the plan require employees to earn at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. Employer contributions are based on a dollar for dollar match of employee's contribution with a maximum contribution not to exceed 3% of gross salary. Employer and employee contributions are fully vested immediately upon satisfying eligibility requirements. The pension expense for the years ended December 31, 2017 and 2016 was \$11,867 and \$12,258, respectively.

Note 10 - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses have been reported in the Statement of Activities by type. To present expenses by functional classification, expenses are charged to program services and supporting services (general and administrative expenses) on the basis of management's estimate of periodic time and expense evaluations. General and administrative expenses include those that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Bureau.

The expenses for the years ended December 31, 2017 and 2016 are allocated as follows:

	2017	2016
Program	\$ 1,917,336	\$ 1,751,013
Management and general	246,958	243,729
Totals	\$ 2,164,294	\$ 1,994,742

Note 11 - ECONOMIC DEPENDENCY

The Bureau is dependent on the Jefferson Parish Council to renew their revenue from the Cooperative Endeavor Agreements which transfers a portion of the net proceeds of the hotel occupancy tax. This agreement expires June 30, 2020. The Bureau is also dependent on member hotel assessment collections.

Note 12 - COMMITMENT

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

Year Ending December 31,	
2018	\$ 32,000
2019	32,000
	\$ 64,000

Note 13 - SUPPLEMENTAL CASH FLOW INFORMATION

During 2017, the Bureau made equipment purchases financed through accounts payable totaling \$1,624.

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

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2017

Agency Head Name: Violet Peters, Chief Executive Officer

Purpose

Salary	\$ 107,657
Benefits - insurance	500
Benefits - retirement	3,220
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	960
Travel	1,214
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 113,551

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
May 29, 2018.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2017

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2016.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2016.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended December 31, 2016.

Section II - Internal Control and Compliance Material to Federal Awards

Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2016 and, therefore, is exempt from the audit requirements under the Title 2 U.S. Code of Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2016.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2017

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2017.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2017

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit of the financial statements for the year ended December 31, 2017.

Section II - Internal Control and Compliance Material to Federal Awards

Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2017 and, therefore, is exempt from the requirements under the Title 2 U.S. Code of Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2017.

STATEWIDE AGREED UPON PROCEDURES (R.S.24:513)

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of Jefferson Convention & Visitors Bureau, Inc. (the "Bureau") and the Louisiana Legislative Auditor (LLA), solely to assist the specified users of the report in evaluating management's assertions about the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) accompanying the annual financial statements of the Bureau for the year ended December 31, 2017 and to determine whether the C/C areas identified in the Statewide Agreed-Upon Procedures are free of obvious errors and omissions. Management of the Bureau is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1. Obtain the Bureau's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Bureau does not have any written policies and procedures), as applicable:**

We obtained the written policies and verified that the written policies address the areas as follows:

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

No exceptions were noted.

Written Policies and Procedures (Continued)

- 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.**

We obtained the purchasing policy from the Bureau for the fiscal period. We verified that the written policy addresses (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.

No exceptions were noted.

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

We obtained the disbursements written policy from the Bureau. We verified that the written policy addresses processing, reviewing, and approving of disbursements.

We noted that Rebecca Buras, Director of Finance is in charge of processing payments and has access to the vendor list with the ability to make changes.

These risks are mitigated as the Director of Finance is not an authorized check signer and the Board Secretary reviews the month end bank statements and reconciliations.

- d. Receipts, including receiving, recording, and preparing deposits.**

We obtained the receipts written policy from the Bureau. We verified that the written policy addresses receiving, recording, and preparing deposits.

We noted that Rebecca Buras, Director of Finance, is responsible for recording and preparing the deposits.

This risk is mitigated by the Board Secretary's review of month end bank statements and reconciliations.

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

Written Policies and Procedures (Continued)

We obtained the payroll/personnel written policy from the Bureau. We verified that the written policy addresses (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions were 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.**

We obtained the contracting written policy from the Bureau. We verified that the written policy addresses (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process; and (5) monitoring process.

No exceptions were 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.**

We obtained the credit cards written policy from the Bureau. We noted that the Bureau only uses credit cards, and does not use debit cards, fuel cards, or P-Cards. We verified that the written policy addresses (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers; and (5) monitoring card usage.

No exceptions were noted.

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

We obtained the travel and expense reimbursement written policy from the Bureau. We verified that the written policy addresses (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements; and (4) required approvers.

No exceptions were noted.

Written Policies and Procedures (Continued)

- 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. Note: Ethics requirements are not applicable to nonprofit organizations.**

Not applicable as the Bureau is a nonprofit organization.

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

Not applicable as the Bureau is a nonprofit organization.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a. **Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.**

We obtained and reviewed the Board of Directors meeting minutes for the fiscal period. We noted that the bylaws call for the Board of Directors to meet nine times annually. We also noted that a minimum of 20% of the members must be present in order to constitute a quorum.

We verified that the Board of Directors was in compliance with the bylaws and that the full Board of Directors met nine times during the fiscal year.

No exceptions were noted.

- b. **Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Bureau's prior audit (GAAP-basis).**
 - **If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.**

Board (or Finance Committee, if applicable) (Continued)

We reviewed the minutes referenced in Step 2a. The minutes included budget to actual comparisons.

There was no deficit spending during the year ended December 31, 2017.

No exceptions were noted.

- c. Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.**

For the minutes referenced in Step 2a, we verified that at least one meeting during the fiscal period included non-budgetary financial information.

No exceptions were noted.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.**

We obtained a listing of client bank accounts from Bureau management for the fiscal period. We also obtained management's representation that the listing is complete.

We noted that disbursements were made and collections received for three dedicated bank accounts with respect to State of Louisiana funds. Therefore, we obtained listings for these accounts.

No exceptions were noted.

- 4. Using the listing provided by management, select all of the Bureau's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:**

- a. Bank reconciliations have been prepared;**

We obtained bank statements and reconciliation for all months in the fiscal period for the bank accounts referenced in Step 3. We verified that bank reconciliations were prepared.

Bank Reconciliations (Continued)

No exceptions were noted.

- b. Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and**

For the bank reconciliation referenced in Step 4a, we verified that there is evidence that a member of management reviewed the bank reconciliations.

No exceptions were noted.

- c. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.**

Procedure is not applicable. There were no reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.**

We obtained a listing of cash collection locations from Bureau management for the fiscal period related to the state funds received. We also obtained management's representation that the listing is complete. We tested the three accounts described in Step 3.

No exceptions were noted.

- 6. Using the listing provided by management, select all of the Bureau's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:**

- a. Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party); and (3) not required to share the same cash register or drawer with another employee.**

Collections (Continued)

We obtained an insurance policy and written policies and procedures, and verified that each person responsible for collecting cash is (1) bonded, and (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account.

We found that Rebecca Buras, Director of Finance, records the transactions, and reconciles the bank statements. She is not bonded, although the Bureau did add a crime policy in 2018. These risks are mitigated by the review of the Board Secretary.

- b. Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Bureau has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.**

We obtained written policies and procedures and verified that the Bureau has a formal process to reconcile cash collections to the general ledger by revenue source and agency fund additions by a person who is not responsible for cash collections in the collection location selected at Step 6a.

No exceptions were noted.

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:**
- Using Bureau collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.**

We obtained bank statements for the accounts referenced in Step 3. We verified that deposits tested were made within one day of collection.

No exceptions were noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.**

Collections (Continued)

We obtained documentation and verified that daily cash collections are completely supported for the state funds.

No exceptions were noted.

7. **Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the Bureau has a process specifically defined (identified as such by the Bureau) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.**

We obtained written documentation and verified that there are procedures to determine the completeness of collections. The completeness of all collections is ensured by the review from a Bureau board member who is not responsible for collections.

No exceptions were noted.

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

8. **Obtain a listing of Bureau disbursements from management or, alternately, obtain the general ledger and sort/filter for Bureau disbursements. Obtain management's representation that the listing or general ledger population is complete.**

We obtained a listing of the Bureau's disbursements from the bank accounts referenced in Step 3 from management for the fiscal period. We also obtained management's representation that the listing is complete.

No exceptions were noted.

9. **Using the disbursement population from Step 8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Bureau had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:**
 - a. **Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.**

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

We obtained the listing referenced in Step 8 and analyzed the entire population of disbursements related to state funds. We then obtained supporting documentation for selected transactions verifying that the Bureau had an electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

No exceptions were noted.

b. Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

We verified that purchases made via the system referenced in Step 9a were approved by a person who did not initiate the purchase.

No exceptions were noted.

c. Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

We verified that payment for purchases made via the system referenced in Step 9a were not processed without (1) an electronic equivalent of an approved requisition and/or purchase order, (2) a receiving report showing receipt of goods purchased or electronic equivalent; and (3) an approved invoice.

No exceptions were noted.

10. Using Bureau documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Bureau's purchasing/disbursement system.

We obtained existing written policies and procedures and found that the person responsible for processing payments has the ability to add vendors to the Bureau's purchasing/disbursement system.

These risks are mitigated as the Director of Finance is not an authorized check signer and the Board Secretary reviews the month end bank statements and reconciliations.

11. Using Bureau documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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

We obtained existing written policies and procedures and verified that the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No exceptions were noted.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Bureau documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.**

Through inquiry of management and observation, we determined that unused checks are maintained in a locked location in the accounting department at the Bureau's office, with access restricted to those persons that do not have signatory authority.

No exceptions were noted.

- 13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.**

Through inquiry of Bureau management, we determined that neither a signature stamp nor a signature machine is used by the Bureau.

Through inquiry of signers, we verified that signed checks are maintained under the control of the signer until mailed.

No exceptions were noted.

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

- 14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers, and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.**

We obtained the listing of credit cards and a representation from management that the listing is complete.

Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)

- 15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Bureau has less than 10 cards) that were used during the fiscal period, rotating cards each year.**

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

We selected 1 of the 3 credit cards (The Bureau does not have debit cards, fuel cards, or P-cards) and obtained the monthly statement for the largest month.

- a. Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.**

For the credit card selected, we reviewed approval of the credit card statement by someone other than the authorized card holder.

No exceptions were noted.

- b. Report whether finance charges and/or late fees were assessed on the selected statements.**

No finance charges or late fees were assessed on the selected statement.

No exceptions were noted.

- 16. Using the monthly statements or combined statements selected under Step 15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).**

We obtained supporting documentation for the statement selected in Step 15 and verified the following:

- a. For each transaction, report whether the transaction is supported by:**

- **An original itemized receipt (i.e., identifies precisely what was purchased)**

No exceptions were noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)

- **Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.**

No exceptions were noted.

- **Other documentation that may be required by written policy (e.g., purchase order, written authorization.)**

No exceptions were noted.

- b. For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Bureau's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.**

No exceptions were noted. The Bureau did not make purchases subject to the Louisiana Public Bid Law during the fiscal period.

- c. For each transaction, compare the Bureau's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.**

No exceptions were noted.

Travel and Expense Reimbursement

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.**

We obtained the listing of travel expenses and general ledger detail and a representation from management that it is complete.

Travel and Expense Reimbursement (Continued)

- 18. Obtain the Bureau's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.**

The GSA rates were used for all reimbursements made with state funds.

No exceptions were noted.

- 19. Using the listing or general ledger from Step 17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:**

- a. Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Bureau does not have written policies, compare to the GSA rates (Step 18 above) and report each reimbursement that exceeded those rates.**

All travel reimbursements using state funds were reimbursed at the GSA rates in accordance with written policy.

No exceptions were noted.

- b. Report whether each expense is supported by:**

- An original itemized receipt that identifies precisely what was purchased.**

No exceptions were noted.

- Documentation of the business/public purpose. (Note: for meal charges, there should also be documentation of the individuals participating.)**

No exceptions were noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).**

No additional documentation is required by written policy.

No exceptions were noted.

Travel and Expense Reimbursement (Continued)

- c. Compare the Bureau's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.**

No exceptions were noted.

- d. Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.**

For each expense selected in Step 19a, we reviewed written approval by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.**

We obtained a listing of all contracts in effect during the fiscal period with respect the bank accounts referenced in Step 3. We also obtained management's representation that the listing is complete.

No exceptions were noted.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:**

- a. Report whether there is a formal/written contract that supports the services arrangement and the amount paid.**

We obtained the contracts associated with the bank accounts referenced in Step 3. We verified that the contracts support the services and the amounts paid.

No exceptions were noted.

Contracts (Continued)

- b. Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:**

- **If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Bureau complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).**

We confirmed that each contract we obtained in Step 21a was not subject to Louisiana Public Bid Law.

No exceptions were noted.

- **If no, obtain supporting contract documentation and report whether the Bureau solicited quotes as a best practice.**

The Bureau's largest contracts are for musical artists to perform at their flagship event. Given the fact that the individual artists cannot be substituted, additional quotes cannot be solicited.

No exceptions were noted.

- c. Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.**

Not applicable as there were no amendments made to any contracts selected in Step 21a.

- d. Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.**

We obtained supporting invoices, compared the invoices to the contract terms, and verified that the invoices and related payments complied with the terms and conditions of the contracts.

No exceptions were noted.

Contracts (Continued)

- e. **Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).**

Not applicable, as there is no policy or law requiring board approval of contracts.

Payroll and Personnel

- 22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees obtain their personnel files, and:**

We obtained a listing of employees and a representation from management that the listing is complete. We selected five employees and obtained their personnel files and performed the following:

- a. **Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.**

We verified compensation was in accordance with the terms of the employment contracts for each for the five employees selected.

No exceptions were noted.

- b. **Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.**

For each employee selected in Step 22a, we obtained management's approval of the employee's pay rate. If the employee's pay rate changed during the year, we obtained specific approval of the change.

No exceptions were noted.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees (or randomly select one-third of employees if the Bureau had less than 25 employees during the fiscal period), and:**

We selected one pay period in which leave was taken and performed the following:

Payroll and Personnel (Continued)

- a. Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).**

We randomly selected 3 employees (one-third of employees) from the pay period and obtained electronic time sheets noting documentation of daily attendance and leave.

No exceptions were noted.

- b. Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.**

For each time sheet selected in Step 23a, we observed a supervisor's electronic approval.

No exceptions were noted.

- c. Report whether there is written documentation that the Bureau maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.**

We observed that the Bureau maintains written records of employees taking leave.

No exceptions were noted.

- 24. Obtain from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.**

We obtained a list of terminations and a representation that the list is complete. We selected the two largest termination payments and verified that they were in accordance with the contract and were approved by management.

No exceptions were noted.

- 25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.**

Payroll and Personnel (Continued)

We examined supporting documentation and verified that required payments of payroll taxes and retirement contributions as well as the required reporting forms were made by required deadlines.

No exceptions were noted.

Other

26. Inquire of management whether the Bureau had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Bureau reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Bureau is domiciled.

Management of the Bureau represented that the Bureau did not have any misappropriations of public funds or assets.

No exceptions were noted.

27. Observe and report whether the Bureau has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed that the Bureau has posted on its premises and website the notice required by R.S. 24:523.1.

No exceptions were noted.

28. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

We did not observe any exceptions regarding management's representations in the procedures above.

No exceptions were noted.

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We are not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditors as a public document.

A handwritten signature in cursive script that reads "Bourgeois Bennett, L.L.C." The signature is written in black ink and is positioned above a thin horizontal line.

Certified Public Accountants.

New Orleans, Louisiana,
May 29, 2018.