

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

Annual Financial Report  
As of and for the  
Year Ended June 30, 2020

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana  
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June 30, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the River Parishes Convention, Tourist, & Visitors Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the River Parishes Convention, Tourist, & Visitors Commission as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 and the Budgetary Comparison Schedule on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

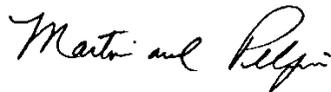
#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the River Parishes Convention, Tourist, & Visitors Commission's basic financial statements. The Schedule of Expenditures – General Fund on page 24 and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 25 are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 17, 2020, on our consideration of the Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission’s internal control over financial reporting and compliance.



Houma, Louisiana  
November 17, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2020

As management of the River Parishes Convention, Tourist, & Visitors Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2020.

**Financial Highlights**

- River Parishes Convention, Tourist, & Visitors Commission's assets exceeded its liabilities by \$674,152 (net position) as of June 30, 2020.
- Expenses exceeded revenues by \$470,562 during the year.
- The River Parishes Convention, Tourist, & Visitors Commission's received and disbursed Parish taxes totaling \$384,003 and State appropriation funding of \$233,096.

**Overview of the Financial Statements**

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

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

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

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2020

**Overview of the Financial Statements (Cont.)**

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

**Basic Financial Analysis**

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the Commission, assets exceeded liabilities by \$674,152 at the close of June 30, 2020. The largest portion of the Commission's total assets is cash and investments (89.67%).

**The Commission's Condensed Statement of Net Position**

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and investments	\$ 753,965	\$ 1,087,818
Other current assets	45,171	65,324
Capital assets	103,051	93,751
Accumulated depreciation	(61,404)	(52,099)
<b>TOTAL ASSETS</b>	<b>840,783</b>	<b>1,194,794</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	148,103	12,031
Due to other government	-	19,521
Compensated absences payable	18,528	18,528
<b>TOTAL LIABILITIES</b>	<b>166,631</b>	<b>50,080</b>
<b>NET POSITION</b>		
Net investment in capital assets	41,647	41,652
Unrestricted	632,505	1,103,062
<b>TOTAL NET POSITION</b>	<b>\$ 674,152</b>	<b>\$ 1,144,714</b>

Total assets decreased by \$354,011, and total liabilities increased by \$116,551.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2020

**Basic Financial Analysis (Cont.)**

During the year, the Commission's net position decreased by \$470,562. The elements of the decrease are as follows:

**The Commission's Condensed Statement of Activities**

	<b>For the Year Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Parish taxes	\$ 384,003	\$ 501,646
State appropriation	233,096	201,547
Other	62,497	60,606
<b>TOTAL REVENUES</b>	<b>679,596</b>	<b>763,799</b>
<b>EXPENDITURES</b>		
Other services and charges	726,378	608,346
Personnel services	331,493	266,948
Other	92,247	80,590
<b>TOTAL EXPENDITURES</b>	<b>1,150,118</b>	<b>955,884</b>
<b>OTHER INCOME</b>		
Deepwater Horizon settlement	-	102,869
Interest earned	3,704	21,019
Unrealized appreciation on investments	(3,744)	36,151
<b>TOTAL OTHER INCOME</b>	<b>(40)</b>	<b>160,039</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (470,562)</b>	<b>\$ (32,046)</b>

As indicated above, net position decreased by \$470,562. The decrease in change in net position from the prior year is primarily due to the decrease in parish taxes, the increase in expenditures, and the lack of the one-time Deepwater Horizon settlement.

**Financial Analysis of Individual Funds (FFS)**

The General Fund includes revenue and expenditures necessary to the operation of the Commission such as personnel, benefits, and operation and maintenance of facilities. The General Fund reflected \$679,596 in total revenues, including \$384,003 of parish taxes. Total current expenditures were \$1,150,113. Fund balance decreased by \$470,557 for the year.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2020

**Variations Between Original and Final Budgets and Actual Results**

The Commission's annual budget is adopted on a modified accrual basis of accounting excluding certain noncash items, such as accrued earnings of compensated absences and depreciation. Budgets are to be amended when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures exceed budgeted expenditures by five percent or more. The original budget for the year ended June 30, 2020 was amended three times during the fiscal year.

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

Originally budgeted revenues	\$ 899,000
Increases were provided for:	
A decrease in Parish taxes	(80,811)
A decrease in State appropriation	(33,872)
A decrease in membership	(5,836)
A decrease in other revenues	(75,028)
	\$ 703,453
Originally budgeted expenditures	\$ 898,800
Increases (decreases) were provided for:	
An increase in other services and charges	96,448
An increase in personnel services	8,817
An increase in supplies and materials	23,648
An increase in repairs and maintenance	3,138
An increase in capital outlay	1,305
	\$ 1,032,156

The Commission's budgeted revenues exceeded its actual revenues by \$20,153, an unfavorable variance of 2.86%. The Commission's actual expenditures exceeded its budgeted expenditures by \$117,957, an unfavorable variance of 11.43%.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2020

**Capital Assets**

Capital assets include Scenic Byways signage and promotional video of \$59,029 and computers, computer equipment, and office furniture of \$44,022. Accumulated depreciation as of June 30, 2020 is \$61,404 resulting in an ending book balance of \$41,647.

Depreciation expense of \$9,305 was recorded for the year. More detailed information about capital assets is presented in the notes to the financial statements.

**Long-Term Obligations**

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

**Contacting Financial Management**

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

Mr. Buddy Boe, Executive Director  
River Parishes Convention, Tourist, & Visitors Commission  
671 Belle Terre Blvd.  
LaPlace, LA 70068  
Phone number (866) 204-7782

## **FINANCIAL STATEMENTS**

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Statement of Net Position  
June 30, 2020

	<u><b>Government Activities</b></u>
<b>ASSETS</b>	
Cash	\$ 133,356
Investments	620,609
Taxes receivable	43,965
Prepaid expenses	1,206
Total current assets	799,136
Capital assets	103,051
Accumulated depreciation	(61,404)
<b>TOTAL ASSETS</b>	<b>840,783</b>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	148,103
Compensated absences payable	18,528
<b>TOTAL LIABILITIES</b>	<b>166,631</b>
<b>NET POSITION</b>	
Net investment in capital assets	41,647
Unrestricted	632,505
<b>TOTAL NET POSITION</b>	<b>\$ 674,152</b>

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana  
Statement of Activities  
For the Year Ended June 30, 2020**

	<b>Government Activities</b>
<b>REVENUES AND OTHER SOURCES</b>	
<b>REVENUES</b>	
Parish taxes	\$ 384,003
State appropriation	233,096
	617,099
<b>OTHER SOURCES</b>	
Membership	61,229
Other	1,268
	679,596
<b>EXPENDITURES</b>	
Other services and charges	726,378
Personnel services	331,493
Supplies and materials	67,279
Repairs and maintenance	15,663
Depreciation	9,305
	1,150,118
<b>OTHER INCOME (EXPENSE)</b>	
Interest earned	3,704
Unrealized appreciation on investments	(3,744)
	(40)
<b>CHANGE IN NET POSITION</b>	(470,562)
<b>NET POSITION</b>	
Beginning of year	1,144,714
End of year	\$ 674,152

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
**State of Louisiana**  
 Balance Sheet  
 Governmental Fund Type -  
 General Fund  
 June 30, 2020

**ASSETS**

Cash	\$ 133,356
Investments	620,609
Taxes receivable	43,965
Prepaid expenses	1,206
<b>TOTAL ASSETS</b>	<b>\$ 799,136</b>

**LIABILITIES**

Accounts payable and accrued expenses	\$ 148,103
Compensated absences payable	18,528
<b>TOTAL LIABILITIES</b>	<b>166,631</b>

**FUND BALANCE**

Nonspendable	1,206
Unassigned	631,299
<b>TOTAL FUND BALANCE</b>	<b>632,505</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 799,136</b>

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Statement of Revenues, Expenditures,  
and Change in Fund Balance -  
Governmental Fund Type -  
General Fund  
For the Year Ended June 30, 2020

**REVENUES AND OTHER SOURCES**

**REVENUES**

Parish taxes	\$ 384,003
State appropriation	233,096
	617,099

**OTHER SOURCES**

Membership	61,229
Other	1,268
	62,497

**TOTAL REVENUES AND OTHER SOURCES**

679,596

**EXPENDITURES**

Economic developmental assistance:

Other services and charges	726,378
Personnel services	331,493
Supplies and materials	67,279
Repairs and maintenance	15,663
	1,140,813

Capital outlay

9,300

**TOTAL EXPENDITURES**

1,150,113

**OTHER INCOME (EXPENSE)**

Interest earned	3,704
Unrealized loss on investments	(3,744)
	(40)

**TOTAL OTHER INCOME (EXPENSE)**

(40)

**CHANGE IN FUND BALANCE**

(470,557)

**FUND BALANCE**

Beginning of year	1,103,062
End of year	\$ 632,505

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2020

Total fund balance - total governmental funds	\$ 632,505
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets of \$103,051, net of accumulated depreciation of \$61,404 are not financial resources and, therefore, are not reported in the funds.

	<u>41,647</u>
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Net position of governmental activities

	<u><u>\$ 674,152</u></u>
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Reconciliation of the Governmental Fund Statement of Revenues,  
Expenditures, and Change in Fund Balance to the  
Statement of Activities  
For the Year Ended June 30, 2020

Change in fund balance - governmental fund	\$ (470,557)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports capital outlays as expenditures whereas in the statement of activities these costs are depreciated over their estimated useful lives.

Depreciation expense

	(9,305)
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Capital outlay expense

	<u>9,300</u>
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Change in net position of governmental activities

	<u><u>\$ (470,562)</u></u>
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See accompanying notes.

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

Notes to Financial Statements  
For the Year Ended June 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

A. REPORTING ENTITY

GASB Statements No. 14, 39 and 61 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Financial accountability by the state government is determined on the basis of the following criteria:

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

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

**B. METHOD OF ACCOUNTING**

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

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

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

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

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

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

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

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

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

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

**C. FUND TYPES**

The Commission reports the following fund types:

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

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

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-Wide Financial Statements**

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**Fund Financial Statements**

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

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

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

**E. ENCUMBRANCES**

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

**F. OPERATING BUDGETARY DATA**

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

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

**G. CASH AND CASH EQUIVALENTS**

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

**H. BAD DEBTS**

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

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

I. INVESTMENTS

Under state law, the Commission may invest in United States bonds, treasury notes, certificates, and commercial paper. As of June 30, 2020, the Commission holds investments as follows:

	<u>Market Value</u>
Certificates of Deposit	\$ 620,609

J. CAPITAL ASSETS

Capital assets are presented on the Statement of Net Position.

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

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

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Commission primarily relate to fixed assets' useful lives.

L. New GASB Statement

Statement No. 87, "Leases", increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Bank Deposits:**

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

The year-end balance of deposits is as follows:

	Bank Balance	Reported Amount
Cash and cash equivalents	\$ 140,014	\$ 133,356
Certificates of deposit	620,609	620,609
Totals	\$ 760,623	\$ 753,965

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

At June 30, 2020, the Commission's deposits were FDIC insured and therefore adequately collateralized in accordance with state law.

**Investments:**

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

As a means of limiting its exposure to fair value losses arising from interest rates, the Commission's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow. Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence*

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)**

*exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Commission's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$ 133,356
Reported amount of investments	<u>620,609</u>
 Total	 <u><u>\$ 753,965</u></u>
 Cash	 \$ 133,356
Investments	<u>620,609</u>
 Total	 <u><u>\$ 753,965</u></u>

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance <u>July 1, 2019</u>	Additions	Retirements	Balance <u>June 30, 2020</u>
Scenic Byways signage/video	\$ 59,029	\$ -	\$ -	\$ 59,029
Office furniture and equipment	<u>34,722</u>	<u>9,300</u>	-	<u>44,022</u>
	93,751	9,300	-	103,051
Less accumulated depreciation	<u>(52,099)</u>	<u>(9,305)</u>	-	<u>(61,404)</u>
 Totals	 <u><u>\$ 41,652</u></u>	 <u><u>\$ (5)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 41,647</u></u>

The Commission does not own any capital assets not subject to depreciation.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**NOTE 4 – COMPENSATED ABSENCES**

Employees of the Commission are granted from 12 to 21 days of vacation leave each year, depending on their length of service and position. Upon separation of employment, employees are compensated for accumulated vacation leave at the employee's current rate of pay. Employees of the Commission are granted 12 to 18 days of sick leave each year; however, only the Executive Director is compensated for accumulated sick leave upon separation of employment. No employee is eligible for any vacation or sick time before his or her first three months of continuous employment. As of June 30, 2020, employees have accumulated \$18,528 of employee leave benefits.

**NOTE 5 – RETIREMENT PLAN**

All full-time employees are eligible to participate in the Commission's 457(b) Plan as of his/her first day of employment with the employer. The plan is a tax-deferred retirement plan, permissible for state and local governments under IRC Section 501. The normal retirement age under the Plan is 65. Employers or employees through salary reductions may contribute up to the IRC 402(g) limit of \$19,500 on behalf of participants under the plan. During the year, the Commission contributed \$11,604 to the Plan on behalf of participants.

**NOTE 6 – COMPENSATION OF BOARD MEMBERS**

Members of the Commission's Board serve without compensation.

**NOTE 7 – POST-EMPLOYMENT BENEFITS**

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

**NOTE 8 – RISK MANAGEMENT**

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

**NOTE 9 – COMMITMENTS**

**Membership Agreement**

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2020

**NOTE 9 – COMMITMENTS (Cont.)**

or by the Commission within 90 days of the agreement's expiration date. For the year ended June 30, 2020, the Commission earned \$60,000 of membership fees related to this agreement.

**NOTE 10 – OPERATING LEASE**

On September 5, 2018, the Commission entered into a three-year lease agreement with an unrelated party for the right to use office space to conduct its operations in LaPlace, Louisiana. Monthly payments of \$3,000 are due. Due to COVID-19, the lessor allowed the Commission to defer payments for months of April, May and June to the following year. The total rent expense incurred related to this agreement for the year ended June 30, 2020 is \$27,000. Extension of the lease is to be agreed upon by both parties at the end of the initial term set forth in the agreement. Minimum annual payments required are:

<u>June 30,</u>	
2021	\$ 36,000
2022	<u>6,000</u>
	<u>\$ 42,000</u>

**NOTE 11 – CONTINGENCIES**

The Commission is involved in a matter of litigation involving a former employee, who has asserted various allegations against the Commission, for which suit is pending in Federal Court for the Eastern District of Louisiana. The Commission intends to vigorously defend the allegations of the Plaintiff, as the Commission is confident that the facts and evidence do not support the Plaintiff's claims. No liability has been booked in connection with this matter, as management has determined that it is not probable that a liability will be incurred and that the amount of loss cannot be reasonably estimated.

**NOTE 12 – SUBSEQUENT EVENT**

Subsequent events were evaluated through November 17, 2020, which is the date the financial statements were available to be issued, and it was determined that no events occurred which require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**River Parishes Convention, Tourist,  
& Visitors Commission**  
**State of Louisiana**  
Budgetary Comparison Schedule  
Year Ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Revised Budget Over/(Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Parish taxes	\$507,000	\$ 426,189	\$ 384,003	\$ (42,186)
State appropriation	250,000	216,128	233,096	16,968
Membership	62,000	56,164	61,229	5,065
Other	80,000	4,972	4,972	-
<b>TOTAL REVENUES</b>	<b>899,000</b>	<b>703,453</b>	<b>683,300</b>	<b>(20,153)</b>
<b>EXPENDITURES</b>				
Other services and charges	495,300	591,748	726,378	134,630
Personnel services	339,500	348,317	331,493	(16,824)
Supplies and materials	48,000	71,648	67,279	(4,369)
Repairs and maintenance	8,000	11,138	15,663	4,525
Capital outlay	8,000	9,305	9,300	(5)
<b>TOTAL EXPENDITURES</b>	<b>\$898,800</b>	<b>\$1,032,156</b>	<b>\$1,150,113</b>	<b>\$ 117,957</b>

See Independent Auditor's Report.

**SUPPLEMENTARY INFORMATION**

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Expenditures - General Fund  
Year Ended June 30, 2020

**Other Services and Charges**

Professional fees	\$ 244,101
Advertising	200,823
Travel, entertainment, and meals	44,931
Familiarization tours	38,341
Dues	27,978
Lease	27,000
Sponsorships	17,885
Trade show registration	17,874
Legal fees	14,339
Public relations	14,281
Printing and production	13,788
Other	13,503
General insurance	12,987
Board meeting expenses	12,866
Telephone	6,763
Rental of copy machine	5,793
Training and development seminar	4,715
Trade show - shipping and handling	4,352
Film	3,324
Mileage	734
	726,378
Total other services and charges	726,378

**Personnel Services**

Salaries and payroll taxes	267,871
Employee benefits	63,622
	331,493
Total personnel services	331,493

**Supplies and Materials**

Promotional items	37,706
Office supplies and expenses	24,727
Postage	4,846
	67,279
Total supplies and materials	67,279

**Repairs and Maintenance**

15,663

**Capital Outlay**

9,300

**TOTAL EXPENDITURES**

\$ 1,150,113

See Independent Auditor's Report.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
**State of Louisiana**  
Schedule of Compensation, Benefits, and Other  
Payments to the Executive Director  
Year Ended June 30, 2020

**Agency Head Name:** Buddy Boe, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 100,635
Benefits - retirement / insurance	21,861
Benefits - vehicle allowance	6,000
Benefits - cell phone reimbursements	1,200
Travel - hotels	10,582
Travel - airfare	5,612
Travel - meals	4,518
Travel - transportation	3,049
Other reimbursements	<u>1,074</u>
	<u><u>\$ 154,531</u></u>

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

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities and each major fund of River Parishes Convention, Tourist, & Visitors Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 17, 2020.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

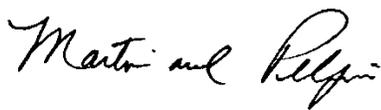
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Responses as item 2020-001.

### **Commission's Response to Findings**

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

### **Purpose of this Report**

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



Houma, Louisiana  
November 17, 2020

**River Parish Convention, Tourist,  
& Visitors Commission**  
**State of Louisiana**  
Schedule of Findings and Responses  
As of and for the Year Ended June 30, 2020

**Section I – Summary of Auditor’s Results**

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

**Section II – Financial Statement Findings**

**2020-001 – Budget Amendment**

Statement of Condition: The Commission amended its budget three times during the year when actual expenditures exceeded budgeted expenditures; however, actual expenditures exceeded budgeted expenditures by greater than 5% at year end.

Criteria: Louisiana Revised Statutes 39:1310 and 1311 require governmental entities to adopt a budget amendment if there is a 5% unfavorable variance in revenues or expenditures.

Effect of Condition: Management of the Commission amended the budget during the year, but did not prevent an unfavorable variance greater than 5% at year end.

Cause of Condition: Management monitored the budget based on the cash basis of accounting. Year-end accruals caused the unfavorable variance.

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

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

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Findings and Responses  
As of and for the Year Ended June 30, 2020

**Section III – Internal Control Findings**

This section is not applicable.

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

This section is not applicable.

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Prior Findings and Resolution Matters  
As of and for the Year Ended June 30, 2020

Note: All prior findings relate to the June 30, 2019 audit engagement.

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

**2019-001 – Under Collateralization of Cash Deposits**

Condition: The Commission's cash deposits were under collateralized at one of its financial institutions at times in November and December 2018, and in May and June 2019.

Recommendation: Management should adopt procedures whereby the monitoring of cash deposits and related collateral are more frequently performed to ensure that cash deposits are fully collateralized at all times.

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

Status: Resolved.

**2019-002 – Payment Made Without Contractual Relationship**

Condition: Pursuant to a Request for Proposal, the Commission entered into a Tourism Marketing Agreement, which expired on June 30, 2019, with an advertising agency (Agency) whereby the Agency was obligated to provide professional services (as such not subject to Louisiana Public Bid Law) including advertising, media buying, graphic design, travel research, creative direction and management, branding, and website design and maintenance. As part of the agreement the Commission was obligated to the Agency for all media and third-party costs incurred by the Agency in fulfilling its contractual responsibilities. Under the terms of the contract, the Agency submitted a \$20,254.98 invoice dated June 14, 2019 to the Commission for April, May, and June 2019 services provided and third-party costs incurred. On June 17, 2019 a third-party vendor of the Agency (providing media, advertising, and related expenses for the benefit of the Commission) notified the Commission's Executive Director that the Agency was delinquent in making payments to the vendor in the amount of \$25,970. By resolution the Executive Director is authorized to enter into any obligation less than \$2,500 with a duration less than twelve months. That same resolution authorizes the Executive Director to enter into obligations greater than \$2,500 with written authorization from the Commission's Chairwoman or Treasurer. Because of the third-party vendor notification of \$25,970 of delinquent invoices, the Commission's Chairwoman approved payment of \$20,254.09 to the third-party vendor "in lieu" of payment to the Agency. To date, the Agency has sent communication to the Commission requesting payment but has not initiated available legal remedies.

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Prior Findings and Resolution Matters  
As of and for the Year Ended June 30, 2020

**Section I – Internal Control and Compliance Material to the Financial Statements  
(Cont.)**

**2019-002 – Payment Made Without Contractual Relationship (Cont.)**

Recommendation: The Commission should make formal demand that the third-party vendor return the \$20,254.98 incorrect payment to the Commission. Upon receipt such funds should be immediately paid to the Agency. Also, to avoid future similar issues, the Commission should address its policy which allows the Chairwoman or Treasurer to approve obligations of an unlimited amount. A dollar threshold should be established whereby approval is required by resolution of the full Board of Commissioners in a public meeting.

Planned Action: At the regular meeting of the Board of Commissioners on October 16, 2019, a motion was passed to request that the Parish of St. John District Attorney, the Commission's legal representative, assign counsel to demand the recovery of funds. Upon receipt, payment will be to the proper party. We will also consider changes to our policy which presently allow the Chairwoman or Treasurer to authorize obligations of an unlimited amount.

Status: Ongoing. Legal counsel has been retained by the Commission to pursue the return of funds, but no resolution has been reached as of June 30, 2020. The Commission has changed its policy and the Chairwoman or Treasurer are no longer able to obligate unlimited purchase amounts.

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

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

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

Management's Corrective Action Plan for Current Year Findings  
As of and for the Year Ended June 30, 2020

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

**2020-001 – Budget Amendment**

Statement of Condition: The Commission amended its budget three times during the year when actual expenditures exceeded budgeted expenditures; however, actual expenditures exceeded budgeted expenditures by greater than 5% at year end.

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

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

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

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.