

Financial Report

Jefferson Convention & Visitors Bureau, Inc.

December 31, 2019

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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, 2019, and the related statements of activities, functional expenses, 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, 2019, 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 2018 financial statements, and our report April 17 2019, 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, 2018 is consistent, in all material respects, with the 2018 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 July 21, 2020, 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,
July 21, 2020.

STATEMENT OF FINANCIAL POSITION**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaDecember 31, 2019
(with comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$2,646,834	\$2,347,270
Accounts receivable	196,461	181,457
Investments	205,088	200,541
Prepaid assets	47,575	166,372
Property and equipment, net	<u>1,069,877</u>	<u>32,117</u>
Total assets	<u>\$4,165,835</u>	<u>\$2,927,757</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 58,152	\$ 104,232
Deferred revenue	15,375	19,150
Notes payable	<u>833,334</u>	<u>-</u>
Total liabilities	<u>906,861</u>	<u>123,382</u>
Net Assets		
Without donor restrictions:		
Board designated	327,966	306,272
Undesignated	<u>2,928,277</u>	<u>2,491,042</u>
Total net assets without donor restrictions	3,256,243	2,797,314
With donor restrictions	<u>2,731</u>	<u>7,061</u>
Total net assets	<u>3,258,974</u>	<u>2,804,375</u>
Total liabilities and net assets	<u>\$4,165,835</u>	<u>\$2,927,757</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaFor the year ended December 31, 2019
(with comparative totals for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
Revenues and Other Support				
Occupancy tax revenue - Jefferson	\$1,341,530	\$ -	\$1,341,530	\$1,266,809
Tourism support assessment	1,085,276	-	1,085,276	1,034,191
Family Gras	357,656	-	357,656	352,454
GTSPF private grant	102,869	-	102,869	150,000
Membership participation	50,475	-	50,475	53,812
Rhythm on the Route - Jefferson	75,200	-	75,200	75,066
Louisiana Office of Tourism	11,750	-	11,750	850
Interest	11,694	-	11,694	4,592
Other income	11,224	-	11,224	14,471
	<u>3,047,674</u>	<u>-</u>	<u>3,047,674</u>	<u>2,952,245</u>
Net Assets Released From Restrictions				
Expiration of time restrictions and program restrictions satisfied through payments	4,330	(4,330)	-	-
	<u>3,052,004</u>	<u>(4,330)</u>	<u>3,047,674</u>	<u>2,952,245</u>
Total revenues and other support, net assets released from restrictions	<u>3,052,004</u>	<u>(4,330)</u>	<u>3,047,674</u>	<u>2,952,245</u>

**Exhibit B
(Continued)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
Expenses				
Bad debt	-	-	-	29,904
Depreciation	20,445	-	20,445	20,217
Insurance	22,183	-	22,183	20,020
Interest	13,963	-	13,963	-
Marketing and promotion:				
Collateral materials	16,981	-	16,981	23,562
Cooperative programs	42,740	-	42,740	60,473
Equipment purchases	17,515	-	17,515	18,997
Internet advertising	163,241	-	163,241	166,613
Media/brand management	356,492	-	356,492	577,466
Other	166,897	-	166,897	181,005
Product development	590,999	-	590,999	507,954
Rhythm on the Route	62,071	-	62,071	57,362
Trade shows	52,972	-	52,972	55,078
Travel	65,516	-	65,516	48,039
Office equipment - repairs	11,561	-	11,561	11,200
Office equipment - rental	3,261	-	3,261	5,448
Office expense	10,881	-	10,881	9,168
Postage	2,732	-	2,732	799
Professional/technical	53,544	-	53,544	75,271
Rent	8,119	-	8,119	7,680
Salaries and benefits	905,229	-	905,229	816,662
Telephone	5,733	-	5,733	5,388
	<u>2,593,075</u>	<u>-</u>	<u>2,593,075</u>	<u>2,698,306</u>
Change in Net Assets	458,929	(4,330)	454,599	253,939
Net Assets				
Beginning of year	<u>2,797,314</u>	<u>7,061</u>	<u>2,804,375</u>	<u>2,550,436</u>
End of year	<u>\$3,256,243</u>	<u>\$ 2,731</u>	<u>\$3,258,974</u>	<u>\$2,804,375</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaFor the year ended December 31, 2019
(with comparative totals for 2018)

	Program Services		Total Program Services	General and Administrative	Totals	
	Family Gras Program	Tourism Program			2019	2018
Salaries	\$ -	\$ 567,689	\$ 567,689	\$217,456	\$ 785,145	\$ 704,077
Product development	590,999	-	590,999	-	590,999	507,954
Media/brand management	22,650	333,842	356,492	-	356,492	577,466
Marketing and promotion	-	100,635	100,635	-	100,635	93,565
Other program expense	-	92,233	92,233	-	92,233	125,960
Events	-	76,373	76,373	-	76,373	79,555
Travel	-	65,516	65,516	-	65,516	48,039
Advertising	1,475	62,463	63,938	-	63,938	72,973
Payroll taxes	-	43,245	43,245	17,113	60,358	51,994
Employee benefits	-	51,053	51,053	8,673	59,726	60,591
Professional fees	1,508	33,073	34,581	18,963	53,544	75,271
Trade shows	-	52,972	52,972	-	52,972	55,078
Website maintenance	-	41,955	41,955	-	41,955	34,179
Education	-	20,144	20,144	8,688	28,832	22,640
Dues and subscriptions	75	23,248	23,323	-	23,323	19,361
Insurance	14,768	760	15,528	6,655	22,183	20,020
Equipment purchases	-	17,515	17,515	-	17,515	18,997
Collateral materials	-	16,981	16,981	-	16,981	23,562
Interest	-	-	-	13,963	13,963	-
Equipment repairs	-	8,093	8,093	3,468	11,561	11,200
Office expenses	239	6,259	6,498	4,383	10,881	9,168
Rent	-	5,683	5,683	2,436	8,119	7,680
Research	-	7,660	7,660	-	7,660	17,220
Telephone	-	4,013	4,013	1,720	5,733	5,388
Equipment rental	-	2,283	2,283	978	3,261	5,448
Mailing and postage	358	1,554	1,912	820	2,732	799
Bad debt	-	-	-	-	-	29,904
Total expenses before depreciation	632,072	1,635,242	2,267,314	305,316	2,572,630	2,678,089
Depreciation of property and equipment	-	20,445	20,445	-	20,445	20,217
Total expenses	<u>\$632,072</u>	<u>\$1,655,687</u>	<u>\$2,287,759</u>	<u>\$305,316</u>	<u>\$2,593,075</u>	<u>\$2,698,306</u>

See notes to the financial statements.

STATEMENT OF CASH FLOWS**Jefferson Convention & Visitors Bureau, Inc.**
Harahan, LouisianaFor the year ended December 31, 2019
(with comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 454,599	\$ 253,939
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt	-	29,904
Depreciation	20,445	20,217
(Increase) decrease in assets:		
Accounts receivables	(15,004)	128,996
Prepaid assets	118,797	(32,123)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(46,080)	51,811
Deferred revenue	(3,775)	(2,250)
Net cash provided by operating activities	<u>528,982</u>	<u>450,494</u>
Cash Flows From Investing Activities		
Proceeds from sales of investments	-	225,000
Purchases of investments	(4,547)	(4,124)
Purchases of property and equipment	(224,871)	-
Net cash provided by (used in) investing activities	<u>(229,418)</u>	<u>220,876</u>
Cash Flows From Financing Activities		
Payments on trade accounts payable used to finance property and equipment acquisitions	-	(1,624)
Net Increase in Cash	299,564	669,746
Cash		
Beginning of year	<u>2,347,270</u>	<u>1,677,524</u>
End of year	<u><u>\$2,646,834</u></u>	<u><u>\$2,347,270</u></u>

**Exhibit D
(Continued)**

	<u>2019</u>	<u>2018</u>
Supplemental Disclosures of Cash Flow Information		
Interest paid	<u>\$ 13,963</u>	<u>\$ -</u>
Noncash Investing and Financial Activities		
Acquisition of property through note payable	<u>\$ 833,334</u>	<u>\$ -</u>

See notes to financial statements.

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

December 31, 2019 and 2018

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 2016. As of December 31, 2019, 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:

Net Assets without Donor Restrictions

Undesignated - net assets that are not subject to donor-imposed stipulations.

Board Designated - net assets that are to be used for the building of a Jefferson Parish Visitor's Center or for other Board of Directors' approved expenses.

Net Assets with Donor Restrictions - 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.

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, 2019 and 2018, there were no cash equivalents.

f. Revenue Recognition

The Bureau receives the majority of its revenue from Jefferson Parish 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 increases in net assets without donor restrictions or net assets with donor restrictions, 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 net assets with donor restrictions, 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), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions and grants whose restrictions are met in the same reporting periods are reported as increases in net assets without donor restrictions.

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, 2019 and 2018.

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, 2019 and 2018.

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. Methods Used For Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Most of the expenses can be directly allocated to one of the programs or supporting function. The Bureau maintains a separate set of records for the Family Gras program and those expenses can be directly allocated to that program. The salaries and benefits expenses are allocated based on the time and effort of the employees between program activities and administrative activities. The Bureau employs twelve full time employees, eight of which focus all of their time and effort on program activities, three other employees focus solely on administrative activities, and one employee allocates their time half and half between program and administrative activities. Based on this employee breakdown, the remaining expenses are allocated between 70% program and 30% administrative which approximates the time and effort of the employees.

k. Advertising

The Bureau expenses advertising costs as they are incurred. Advertising costs (marketing and promotion) totaled \$1,535,424 and \$1,696,549 for the years ended December 31, 2019 and 2018, respectively. Advertising is comprised of marketing and promotion expenses.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

m. Recently Issued Accounting Standards

Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

During the year, the Bureau adopted the provisions of the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*" (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU No. 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under Topic 606. If no commensurate value is received by the grant maker, the transfer is a contribution. ASU No. 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending December 31, 2019 are presented under FASB ASU No. 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. The adoption of this accounting standard had no significant effect on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards (Continued)

Statement of Cash Flow

In November 2016, the FASB issued ASU No. 2016-18, "*Statement of Cash Flows*" (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for fiscal years beginning after December 15, 2018. Accordingly, adoption of this accounting pronouncement had no significant effect on the Statement of Cash Flows for the year ended December 31, 2019.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*", which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, the FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The new revenue standard is now effective for annual reporting periods beginning after December 15, 2019. The Bureau has adopted the provisions of ASU No. 2014-09 and retrospectively applied this standard to the financial statements. The Bureau is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards (Continued)

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Bureau is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

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 July 21, 2020, 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 \$1,913,000 as of December 31, 2019.

Note 4 - DESIGNATED NET ASSETS

The Bureau's Board of Directors has designated part of the net assets without donor restrictions for the following purpose as of December 31, 2019 and 2018:

	2019	2018
Jefferson Parish Visitors Center	\$327,966	\$306,272

Note 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Subject to expenditure for specified purpose:		
Pontchartrain Center	\$2,731	\$4,561
Other events	-	2,500
Total net assets with restrictions	\$2,731	\$7,061

Net assets of \$4,330 were released from restrictions by incurring expenses satisfying the restricted purpose during the year ended December 31, 2019.

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

Note 6 - INVESTMENTS (Continued)

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 \$205,088 and \$200,541 as of December 31, 2019 and 2018, respectively.

Note 7 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 and 2018 is as follows:

	2019	2018
Computer software	\$ 96,025	\$108,025
Equipment	35,997	37,941
Leasehold improvements	3,154	3,154
Land	1,053,652	-
	1,188,828	149,120
Accumulated depreciation	(118,951)	(117,003)
Totals	\$1,069,877	\$ 32,117

Depreciation expense for the years ended December 31, 2019 and 2018 was \$20,445 and \$20,217, respectively.

Note 8 - NOTES PAYABLE

On August 28, 2019, the Bureau executed a note payable in the amount of \$833,334 with Hancock Whitney Bank to purchase land. The agreement provides for monthly interest only payments at Wall Street Journal Prime (4.75% as of December 31, 2019) with a minimum rate of 4% and a balloon payment of \$833,334 due August 28, 2020. The note is secured with the land. The outstanding balance of the note payable as of December 31, 2019 was \$833,334.

Total interest expense incurred on the note payable for the year ended December 31, 2019 totaled \$13,963.

Note 9 - 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. For the year ended December 31, 2019, additional storage space was rented for \$439. Rent expense totaled \$8,119 and \$7,680 for the years ended December 31, 2019 and 2018, respectively.

Note 10 - EMPLOYEE BENEFIT PLAN

The Bureau has a defined contribution plan (Simple IRA). 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, 2019 and 2018 was \$18,446 and \$15,590, respectively.

Note 11 - AVAILABILITY OF FINANCIAL ASSETS

As part of the Bureau's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Bureau invests cash in excess of daily requirements in investments. Although the Bureau does not intend to spend from its investment funds other than amounts approved by the Board of Directors, amounts from its investment funds could be made available if necessary.

The Bureau receives grants with donor purpose restrictions. In addition, the Bureau generates revenue and receives grants without donor restrictions. Grants without donor restrictions, occupancy tax revenue, tourism support assessment revenue, Family Gras revenue, sponsorship revenue, investment income without donor restrictions, and miscellaneous income are considered to be available to meet cash needs for general expenditures. General expenditures include the Family Gras program, the tourism program, and general and administrative expenses. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

Note 11 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following table represents financial assets available for general expenditures within one year of December 31, 2019:

Financial assets:	
Cash and cash equivalents	\$2,646,834
Accounts receivable	196,461
Investments	<u>205,088</u>
Total financial assets, as of December 31, 2019	<u>3,048,383</u>
Less amounts not available to be used within one year, due to:	
Contractual or donor imposed restrictions:	
Purpose restricted net assets	(2,731)
Board designations:	
Jefferson Parish Visitors Center	<u>(327,966)</u>
Total financial assets not available to be used within one year	<u>(330,697)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,717,686</u>

Note 12 - 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, 2023. The Bureau is also dependent on member hotel assessment collections.

Note 13 - 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 website. The agreement calls for three years of licensing fees commencing in 2017. The Bureau extended the agreement for three years beginning on April 1, 2020. As of December 31, 2019, future minimum payments under this agreement are as follows:

<u>Year Ending December 31,</u>	
2020	\$ 25,875
2021	34,500
2022	34,500
2023	<u>8,625</u>
	<u>\$103,500</u>

Note 14 - SUBSEQUENT EVENT

The Bureau is following the guidelines of the Louisiana Department of Health along with federal and state of Louisiana guidelines as they relate to the Coronavirus (COVID-19). The Bureau's staff have been working remotely and are also being paid. To assist with cash flow, the Bureau has received a Payroll Protection Program (PPP) loan in the amount of \$167,700 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the federal government. While the Bureau has received the PPP loan, it has not spent any of the funds as it awaits pending legislation to allow 501(c)6 organizations to be eligible for forgiveness of the loan. The Bureau will request forgiveness of the PPP loan during 2020 once the legislation has been changed based upon the forgiveness criteria outlined in the PPP loan program. In the event the legislation is not changed, the Bureau will repay the loan in its entirety. The Bureau has also received the \$10,000 Economic Injury Disaster Advance from the Small Business Administration. The Bureau is awaiting response about its application for the Economic Injury Disaster Loan.

**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, 2019

Agency Head Name: Violet Peters, Chief Executive Officer

Purpose

Salary	\$ 126,941
Benefits - insurance	458
Benefits - retirement	3,808
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	935
Travel	777
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<u>\$ 132,919</u>

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 21, 2020.

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,
July 21, 2020.

SCHEDULE OF FINDINGS AND RESPONSES

Jefferson Convention & Visitors Bureau, Inc. Harahan, Louisiana

For the year ended December 31, 2019

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are
 not considered to be a material weakness? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

b) Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2019 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

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

Internal Control Over Financial Reporting

There were no findings noted during the audit of the year ended December 31, 2019 related to internal control over financial reporting.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Jefferson Convention & Visitors Bureau, Inc. Harahan, Louisiana

For the year ended December 31, 2019

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, 2018.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2018.

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, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2018 and, therefore, is exempt from the audit requirements under the *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, 2018.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Jefferson Convention & Visitors Bureau, Inc.
Harahan, Louisiana

For the year ended December 31, 2019

**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, 2019.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2019

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, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

The Jefferson Convention & Visitors Bureau, Inc. did not receive Federal awards in excess of \$750,000 during the year ended December 31, 2019 and, therefore, is exempt from the audit requirements under the *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, 2019.