

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

REPORT ON AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livingston Parish Convention and Visitors Bureau
Livingston Parish Council
Albany, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund (the General Fund), and the budgetary comparison statement of the General Fund of the Livingston Parish Convention and Visitors Bureau (the Bureau) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund (the General Fund) of the Livingston Parish Convention and Visitors Bureau as of December 31, 2018, and the budgetary comparison statement of the General Fund and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Bureau's December 31, 2017 financial statements, and we expressed an unmodified opinion on those audited financial statement in our report dated June 29, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 8 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* and should be considered in assessing the results of our audit.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 25, 2019

Livingston Parish Convention and Visitors Bureau
Albany, Louisiana
Management's Discussion and Analysis
December 31, 2018

Introduction

The Livingston Parish Convention and Visitors Bureau (the Bureau) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments (GASB 34), as amended, and related standards.

The Bureau's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Bureau's financial activity, (c) identify changes in the Bureau's financial position, (d) identify any significant variations from the Bureau's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Bureau's financial statements in this report.

Financial Highlights

At December 31, 2018, the Bureau's government wide assets exceeded its liabilities by \$1,268,362 (net position). Of this amount, \$1,026,869 (unrestricted net position) may be used to meet the Bureau's ongoing obligations at its discretion and the balance of \$241,493 represents its net investment in capital assets.

For the year ended December 31, 2018, the Bureau's total net position increased by \$71,608.

The Bureau's total revenue on the government-wide basis increased \$47,441. Tourist Tax Revenue, the main source of revenue for the Bureau, decreased \$15,263 from \$349,238 in 2017 to \$333,975 for 2018, Improvement Fund Revenue decreased \$4,573 from \$171,013 in 2017 to \$166,440 in 2018, and Promotional Fund Grant Revenue increased \$50,000 in 2018 over the 2017 total grants.

Total expenses on the government-wide basis increased \$50,761, with the greatest increase consisting of LA Tourism Recovery – BP expense of \$25,839, Advertising expense of \$9,497 and an increase in Insurance expense of \$7,490. There were decreases in Promotions of \$8,934 and Travel expense of \$8,616.

At December 31, 2018, the Bureau's general fund reported an ending fund balance of \$1,026,869, an increase of \$39,329 for the year. Of the ending fund balance, \$1,026,524 is unassigned fund balance.

Overview of the Annual Financial Report

The financial statement focus is on both the Bureau as a whole and on the major individual fund. Both perspectives, government-wide and the major fund, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Bureau's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Bureau's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Bureau's finances in a manner similar to a private-sector business.

The Statement of Net position presents information on the Bureau's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Bureau is improving or deteriorating.

The Statement of Activities presents information showing how the Bureau's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Bureau's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

The Bureau's activities are presented as Governmental activities.

Governmental activities - The Bureau's basic services are reported here. These activities are financed primarily by tourist tax revenue and Louisiana improvement fund revenues.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bureau, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Bureau uses a governmental fund to account for financial transactions. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Bureau's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Bureau's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Bureau's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Bureau's more immediate decisions on the current use of financial resources.

Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on page 11 through 15 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 31 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Bureau's net position for the current year as compared to the prior year.

Net Position As of December 31, 2018 and 2017

	Governmental Activities		Increases
	2018	2017	(Decreases)
Assets:			
Current and Other Assets	\$ 1,046,098	\$ 1,014,897	\$ 31,201
Capital Assets	241,493	209,214	32,279
Total Assets	1,287,591	1,224,111	63,480
Liabilities:			
Accounts Payable	10,913	19,190	(8,277)
Other Liabilities	8,316	8,167	149
Total Liabilities	19,229	27,357	(8,128)
Net Position:			
Net Investment in Capital Assets	241,493	209,214	32,279
Unrestricted	1,026,869	987,540	39,329
Total Net Position	\$ 1,268,362	\$ 1,196,754	\$ 71,608

Approximately 81% of the Bureau's net position is unrestricted and may be used to meet the Bureau's ongoing obligations at its discretion and approximately 19% reflects its net investment in capital assets net of depreciation. The Bureau's activities increased its net position by \$71,608 for the year.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Bureau's activities for the current year as compared to the prior year. For more detailed information, see the Statement of Activities in this report.

**Changes in Net Position
For the Years Ended December 31, 2018 and 2017**

	<u>Governmental Activities</u>		<u>Increases</u>	<u>Percentage</u>
	<u>2018</u>	<u>2017</u>	<u>(Decreases)</u>	<u>Change</u>
Revenues:				
General Revenues:				
Tourist Tax Collected	\$ 333,975	\$ 349,238	\$ (15,263)	(4.37)%
Intergovernmental - Improvement Fund	166,440	171,013	(4,573)	(2.67)%
LA Tourism Recovery Grant	150,000	100,000	50,000	50.00%
Interest Income	13,824	3,050	10,774	353.25%
Net Increase (Decrease) in Fair Value of Investments	-	997	(997)	(100.00)%
Gain on Disposition of Capital Assets	7,500	-	7,500	100.00%
Total Revenues	<u>671,739</u>	<u>624,298</u>	<u>47,441</u>	<u>7.60%</u>
Expenses:				
General Government	<u>600,131</u>	<u>549,370</u>	<u>50,761</u>	<u>9.24%</u>
Total Expenses	<u>600,131</u>	<u>549,370</u>	<u>50,761</u>	<u>9.24%</u>
Change in Net Position	71,608	74,928	(3,320)	(4.43)%
Net Position, Beginning of Year	<u>1,196,754</u>	<u>1,121,826</u>	<u>74,928</u>	<u>6.68%</u>
Net Position, Ending of Year	<u>\$ 1,268,362</u>	<u>\$ 1,196,754</u>	<u>\$ 71,608</u>	<u>5.98%</u>

Governmental Activities

Revenues for governmental activities increased by \$47,441 or 7.60 percent, due primarily to an increase in LA Tourism Recovery Grant revenue of \$50,000. Also there was a decrease in Tourist Tax of \$15,263 and a decrease in Intergovernmental Improvement Fund revenue of \$4,573.

Expenses increased by 9.24 percent or \$50,761, with the greatest increase consisting of LA Tourism Recovery – BP expense of \$25,839 and an increase in Insurance expense of \$7,490. There were decreases in Promotions of \$8,934 and Travel of \$8,616.

Fund Financial Analysis

As noted earlier, the Bureau uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Bureau has only one fund type – governmental funds.

Governmental Funds

The general fund is the only fund of the Bureau. At the end of the current year, the total fund balance for the general fund was \$1,026,869. Of this amount, \$345 was considered nonspendable under GASB 54 fund balance and \$1,026,524 was unassigned. Total fund balance represented 162 percent of total general fund expenditures.

General Fund Budgetary Highlights

The Executive Director prepares the annual budget which is based on what is expected to be collected during the fiscal year and is then approved by the Board. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

There were no funds that had actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other uses over budgeted amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2018.

Capital Assets and Debt Administration

Capital Assets

The Bureau's investment in capital assets as of December 31, 2018 amounts to \$241,493 (net of depreciation). The total increase in the Bureau's investment in capital assets for the current fiscal year was \$32,279 (net of depreciation).

The following table provides a summary of the Bureau's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 of the financial statements.

Capital Assets (Net of Depreciation) As of December 31, 2018 and 2017

	Governmental Activities	
	2018	2017
Capital Assets		
Land	\$ 120,350	\$ 120,350
Building & Improvements	138,495	128,056
Infrastructure	60,000	60,000
Machinery & Equipment	53,288	53,288
Furniture & Fixtures	15,057	15,057
Vehicles	40,641	28,234
Subtotal Capital Assets	427,831	404,985
Less: Accumulated Depreciation	(186,338)	(195,771)
Capital Assets, Net	<u>\$ 241,493</u>	<u>\$ 209,214</u>

Other Factors Affecting the Bureau

The Livingston Parish Convention and Visitors Bureau's management approach is conservative. This is reflected in conformance of enacted budgets and in the efforts of the Bureau to control the level of expenditures.

Contacting the Bureau's Financial Management

This financial report is designed to provide the Bureau's citizens, taxpayers, creditors and investors with a general overview of the Bureau's finances and show the Bureau's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Eric Edwards, Executive Director, Livingston Parish Convention and Visitors Bureau, Post Office Box 1057, Albany, LA 70711.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2018
(With Comparative Totals as of December 31, 2017)

ASSETS

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$ 216,374	\$ 493,052
Investments	733,802	422,473
Receivables:		
Intergovernmental	95,577	89,372
Prepaid Expenses	345	10,000
Capital Assets:		
Non-depreciable	120,350	120,350
Depreciable, Net	121,143	88,864
Total Assets	<u>\$ 1,287,591</u>	<u>\$ 1,224,111</u>

LIABILITIES

Accounts Payable	\$ 10,913	\$ 19,190
Accrued Payroll	2,295	1,879
Other Liabilities	6,021	6,288
Total Liabilities	<u>19,229</u>	<u>27,357</u>

NET POSITION

Net Investment in Capital Assets	241,493	209,214
Unrestricted	1,026,869	987,540
Total Net Position	<u>1,268,362</u>	<u>1,196,754</u>
Total Liabilities and Net Position	<u>\$ 1,287,591</u>	<u>\$ 1,224,111</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Governmental Activities:		
Expenses:		
General Government:		
Salaries and Wages	\$ 177,825	\$ 175,551
Advertising and Publications	35,413	25,916
Board Meetings	2,162	2,037
Collection Cost	10,527	10,985
Conferences	5,325	3,888
Dues and Subscriptions	11,485	2,893
Equipment Rental	4,475	5,244
Grants	19,250	16,500
GUMBO Regional Marketing	6,209	6,000
Insurance	27,630	20,140
Intergovernmental Payments	14,000	13,998
LA Tourism Recovery - BP	134,218	108,379
Meals	4,268	5,859
Office Supplies	5,112	6,220
Other Operating Expenses	975	986
Payroll Taxes	13,536	13,395
Professional Fees	33,605	27,868
Promotions	26,210	35,144
Repairs and Maintenance	6,196	4,885
Telephone	3,338	3,784
Travel	23,182	31,798
Utilities	13,544	10,983
Vehicle	2,845	2,995
Depreciation	18,801	13,922
Total Expenses	<u>600,131</u>	<u>549,370</u>
General Revenues:		
Tourist Tax Collected	333,975	349,238
Intergovernmental - Improvement Fund	166,440	171,013
LA Tourism Recovery Grant	150,000	100,000
Interest Income	13,824	3,050
Net Increase (Decrease) in Fair Value of Investments	-	997
Gain on Disposition of Capital Assets	7,500	-
Total General Revenues	<u>671,739</u>	<u>624,298</u>
Change in Net Position	71,608	74,928
Net Position - Beginning of Year	<u>1,196,754</u>	<u>1,121,826</u>
Net Position - End of Year	<u>\$ 1,268,362</u>	<u>\$ 1,196,754</u>

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

BALANCE SHEET - GENERAL FUND

AS OF DECEMBER 31, 2018

(With Comparative Totals as of December 31, 2017)

ASSETS

	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$ 216,374	\$ 493,052
Investments	733,802	422,473
Due From Other Governments	95,577	89,372
Prepaid Expenses	<u>345</u>	<u>10,000</u>
Total Assets	<u>\$ 1,046,098</u>	<u>\$ 1,014,897</u>

LIABILITIES AND FUND BALANCES

Liabilities:		
Accounts Payable	\$ 10,913	\$ 19,190
Accrued Payroll	2,295	1,879
Other Liabilities	<u>6,021</u>	<u>6,288</u>
Total Liabilities	19,229	27,357
Fund Equity:		
Nonspendable:		
Prepaid Expenses	345	10,000
Unassigned	<u>1,026,524</u>	<u>977,540</u>
Total Fund Balances	<u>1,026,869</u>	<u>987,540</u>
Total Liabilities and Fund Balances	<u>\$ 1,046,098</u>	<u>\$ 1,014,897</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

AS OF DECEMBER 31, 2018

(With Comparative Totals as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
Fund Balance - Total Governmental Fund	\$ 1,026,869	\$ 987,540
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund		
Governmental Capital Assets	427,831	404,985
Less: Accumulated Depreciation	<u>(186,338)</u>	<u>(195,771)</u>
	<u>241,493</u>	<u>209,214</u>
Net Position of Governmental Activities	<u>\$ 1,268,362</u>	<u>\$ 1,196,754</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018	2017
Revenues:		
Tourist Tax Collected	\$ 333,975	\$ 349,238
Intergovernmental - Improvement Fund	166,440	171,013
LA Tourism Recovery Grant	150,000	100,000
Interest Income	13,824	3,050
Net Increase (Decrease) in Fair Value of Investments	-	997
Total Revenues	664,239	624,298
Expenditures:		
General Government:		
Salaries and Wages	177,825	175,551
Advertising and Publications	35,413	25,916
Board Meetings	2,162	2,037
Collection Cost	10,527	10,985
Conferences	5,325	3,888
Dues and Subscriptions	11,485	2,893
Equipment Rental	4,475	5,244
Grants	19,250	16,500
GUMBO Regional Marketing	6,209	6,000
Insurance	27,630	20,140
Intergovernmental Payments	14,000	13,998
LA Tourism Recovery - BP	134,218	108,379
Meals	4,268	5,859
Office Supplies	5,112	6,220
Other Operating Expenses	975	986
Payroll Taxes	13,536	13,395
Professional Fees	33,605	27,868
Promotions	26,210	35,144
Repairs and Maintenance	6,196	4,885
Telephone	3,338	3,784
Travel	23,182	31,798
Utilities	13,544	10,983
Vehicle	2,845	2,995
	581,330	535,448
Capital Outlay	51,080	2,500
Total Expenditures	632,410	537,948
Excess of Revenues Over Expenditures	31,829	86,350
Other Financing Source:		
Proceeds from Sale of Capital Asset	7,500	-
Excess of Revenues and Other Sources Over Expenditures	39,329	86,350
Fund Balance at Beginning of Year	987,540	901,190
Fund Balance at End of Year	\$ 1,026,869	\$ 987,540

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018	2017
Net Change in Fund Balance - Total Governmental Fund	\$ 39,329	\$ 86,350
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital Outlays	51,080	2,500
Depreciation Expense	(18,801)	(13,922)
	32,279	(11,422)
Add accumulated depreciation on capital assets retired during the year	28,234	-
Less cost basis of capital assets retired during the year	(28,234)	-
Change in Net Position of Governmental Activities	\$ 71,608	\$ 74,928

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Tourist Tax Collected	\$ 354,000	\$ 335,000	\$ 333,975	\$ (1,025)
Intergovernmental - Improvement Fund	160,000	160,000	166,440	6,440
LA Tourism Recovery Grant	150,000	150,000	150,000	-
Interest Income	1,000	6,000	13,824	7,824
Total Revenues	665,000	651,000	664,239	13,239
Expenditures:				
Public Works:				
Salaries and Wages	186,000	179,590	177,825	1,765
Advertising and Publications	40,000	40,000	35,413	4,587
Board Meetings	3,000	2,850	2,162	688
Collection Cost	11,000	10,300	10,527	(227)
Conferences	8,000	4,000	5,325	(1,325)
Dues and Subscriptions	5,000	11,500	11,485	15
Equipment Rental	5,000	4,550	4,475	75
Grants	25,000	20,000	19,250	750
GUMBO Regional Marketing	8,000	6,000	6,209	(209)
Insurance	28,000	24,700	27,630	(2,930)
Intergovernmental Payments	14,000	15,000	14,000	1,000
LA Tourism Recovery - BP	150,000	150,000	134,218	15,782
Meals	5,000	4,500	4,268	232
Office Supplies	5,000	5,400	5,112	288
Other Operating Expenses	2,900	1,380	975	405
Payroll Taxes	14,500	13,300	13,536	(236)
Professional Fees	36,000	33,790	33,605	185
Promotions	30,000	21,800	26,210	(4,410)
Repairs and Maintenance	10,000	7,100	6,196	904
Telephone	4,000	3,290	3,338	(48)
Travel	25,000	23,350	23,182	168
Utilities	11,500	13,650	13,544	106
Vehicle	5,000	3,400	2,845	555
	631,900	599,450	581,330	18,120
Capital Outlay	20,000	51,100	51,080	20
Total Expenditures	651,900	650,550	632,410	18,140
Excess (Deficiency) of Revenues Over Expenditures	13,100	450	31,829	31,379
Other Financing Source:				
Proceeds from Sale of Capital Asset	-	-	7,500	7,500
Net Change in Fund Balance	13,100	450	39,329	38,879
Fund Balance at Beginning of Year	987,540	987,540	987,540	-
Fund Balance at End of Year	<u>\$ 1,000,640</u>	<u>\$ 987,990</u>	<u>\$ 1,026,869</u>	<u>\$ 38,879</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

(1) **Summary of Significant Accounting Policies and Nature of Operations**

The Livingston Parish Convention and Visitors Bureau (the "Bureau"), formerly the Livingston Tourism Bureau, is a body corporate, created by the Livingston Parish Police Jury, now the Livingston Parish Council, by Ordinance 79-12-1 as provided for by Louisiana Revised Statutes (R.S.) 33:4574. The Bureau was created for the expressed purpose of the promotion of tourism within Livingston Parish. The operations of the Bureau in carrying out its purpose are funded primarily by the collection of an occupancy tax (tourist tax) as provided for by R.S. 33:4574.1-1.1 and State Improvement Fund Revenue as provided for by R.S. 47:302.41. The bureau is governed by a board of seven directors who are appointed by the Livingston Parish Council.

The financial statements of the Bureau have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 30, 2018, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the Bureau's Board of Directors. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

In accordance with Governmental Accounting Standards Board, Statement 61, the Bureau is considered a related party of the Livingston Parish Council, the governing body of the parish. While the Livingston Parish Council appoints board members, the Livingston Parish Council does not significantly influence the operations of the Bureau nor is the Bureau held accountable to the Livingston Parish Council for fiscal matters.

B. Basis of Presentation

The Bureau's basic financial statements include both government-wide (reporting the Bureau as a whole) and fund financial statements (reporting the Bureau's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. There were no activities of the Bureau categorized as a business-type activity.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

Basic Financial Statements - Government-Wide Statements

In the government-wide Statement of Net Position, the governmental activity column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis.

The government-wide Statement of Activities reports both the gross and net cost of the Bureau's functions. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflects capital-specific grants. The Bureau does not have any program revenues, operating grants, or capital grants.

The net costs (by function) are normally covered by general revenue (taxes, interest and investment earnings, etc.).

The Bureau does not allocate indirect costs.

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

Basic Financial Statements - Fund Financial Statements

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

The Bureau uses the following fund type:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Bureau:

The General Fund is the general operating fund of the Bureau. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2018, it is the only fund of the Bureau.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual -

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Property taxes, franchise taxes, tourist taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

2. Modified Accrual -

The governmental funds financial statements are presented on 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 that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A sixty day availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Depreciation is not recognized in the Governmental Fund Financial Statements.

D. Deposits and Investments

The Bureau's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law limits the Bureau to deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or national banks having principal offices in Louisiana.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

In accordance with state law, the Bureau limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market value.

E. Receivables and Revenues

Tourist Tax receivable are reported net of collection cost charged by the Livingston Parish School Board for collecting the tax on behalf of the Bureau. Tourist Tax revenue and receivable are recorded in the month collected by the vendor.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Bureau did not have any inventory at December 31, 2018. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities columns in the government-wide financial statement. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Bureau maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	10 – 40 Years
Infrastructure	20 Years
Vehicles, Machinery & Equipment	5 – 15 Years

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

H. Encumbrances

Encumbrances outstanding at year end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The Governmental Fund's budget is maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

The actual results of operations are presented in accordance with GAAP and the Bureau's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. At December 31, 2018, the Bureau had no outstanding encumbrances.

I. Compensated Absences

The Bureau has the following policy related to vacation and sick leave: Each full-time employee, after one year of service, is entitled to annual vacation and sick leave as follows:

	<u>Years of Service</u>		
	<u>1</u>	<u>2</u>	<u>5+</u>
Vacation Leave – Days Earned per Year	7	14	20
Sick Leave – Days Earned per Year	12	12	12

Vacation leave cannot be accrued and must be taken in the anniversary year it is acquired. Sick leave can accrue at a rate of one day for each month of continuous employment until a maximum of 180 days has been accumulated. Sick leave is not paid upon termination or retirement.

J. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

Net Investment in Capital Assets Component of Net Position - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted Component of Net Position - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted Component of Net Position - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. Fund Equity

The Bureau implemented the provisions of Governmental Accounting Standards Board Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the Bureau board. These amounts cannot be used for any other purpose unless the Bureau board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

Assigned - Amounts that are designated as committed by the Bureau board but are not spendable until a budget ordinance is passed.

Unassigned - All amounts not included in other spendable classifications. The Bureau board has not adopted a policy to maintain the general fund's unassigned fund balance above a certain minimum level.

The details of the fund balances are included in the Balance Sheet - General Fund (page 11). As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Bureau board or the assignment has been changed by the Bureau board. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

L. Budgetary Practices

The Bureau utilizes the following budgetary practices:

The Executive Director of the Bureau prepares the annual budget, which is based on what is expected to be collected during the fiscal year, and the budget is approved by the Bureau's Board. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment. All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of annual budget during the year. Appropriations lapse at the end of each year.

Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

M. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

N. Summary Financial Information for 2017

The financial statements include certain prior year summarized information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2017, from which the summarized information was derived

(2) **Cash and Cash Equivalents -**

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with original maturity dates of 90 days or less. Under state law the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Bureau may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents and investments are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash and cash equivalents and investments at December 31, 2018:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest Bearing Demand Deposits	\$ 144,651	\$ 158,370
Interest Bearing Money Market Deposits	71,723	71,471
	<u>\$ 216,374</u>	<u>\$ 229,841</u>

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Bureau's deposits may not be returned to it. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the Bureau regardless of its designation by the financial institution in which it is deposited. As of December 31, 2018, none of the Bureau's bank balance of \$229,841 was exposed to custodial credit risk.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

(4) Investments -

As of December 31, 2018, the Bureau had the following investments and maturities:

Investment Type	Amortized Cost	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
U.S. Government and Agencies:						
Federal Home Loan Mortgage Association	\$ 49,281	\$ 49,483	\$ 49,483	\$ -	\$ -	\$ -
Federal National Mortgage Association	27,837	27,829	27,829	-	-	-
United States Treasury	148,429	149,173	99,671	49,502	-	-
	<u>225,547</u>	<u>226,485</u>	<u>\$ 176,983</u>	<u>\$ 49,502</u>	<u>\$ -</u>	<u>\$ -</u>
LAMP	507,317	507,317				
Total Investments	<u>\$ 732,864</u>	<u>\$ 733,802</u>				

Fair Value Measurements. Certificates of deposits with original maturity dates greater than 90 days which are stated at cost which approximates fair value are considered investments. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposits with redemption terms that do not consider market rates, are reported using a cost-based measure which is permitted per GASB Statement No. 31. The U.S. Government and Agencies investments are reflected at fair value.

The Bureau categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Bureau has the following fair value measurements as of December 31, 2018: U.S. Treasury investments of \$149,173 are valued using quoted market prices (Level 1 inputs) and Federal Home Loan Mortgage Association and Federal National Mortgage Association investments of \$77,312 are valued using quoted prices for similar assets in markets that are active (Level 2 inputs).

Interest Rate Risk. The Bureau does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

Custodial Credit Risk. For an investment, this is the risk that, in the event of failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In the case of certificates of deposit, this is the risk that in the event of a bank failure, the Bureau's investments may not be returned to it. As of December 31, 2018, none of the Bureau's investment in certificates of deposits of \$19,983 was exposed to custodial credit risk. The Bureau's investments in U.S. Government and Agencies carry the explicit guarantee of the U.S. government; therefore none of the Bureau's investments in U.S. Government and Agencies of \$226,485 were exposed to custodial credit risk.

Investments also consist of \$507,317 in the Louisiana Asset Management Pool (LAMP), a local government external investment pool. The LAMP investment is stated at the value of the pool shares, which is the same as the fair value which is permitted per GASB Statement No. 59.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. 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 in accordance with LSA-R.S. 33:2955.

GASB 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

1. **Credit risk**: LAMP is rated AAAM by Standards and Poor's.
2. **Custodial credit risk**: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. **Concentration of credit risk**: Pooled investments are excluded from the five percent disclosure requirement.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

4. **Interest rate risk:** LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 76 days as of December 31, 2018.
5. **Foreign currency risk:** Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

(5) Receivables -

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. The major receivable balance for the governmental activities is from Tourist tax.

In the fund financial statements, the material receivable in governmental funds also includes a revenue accrual for Tourist tax, since it is both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days, since they would be considered both measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Due From Other Governments at December 31, 2018 consist of the following:

Livingston Parish School Board - Tourist Tax	\$ 50,825
State of Louisiana - Improvement Fund	44,752
Total Due from Other Governments	<u>\$ 95,577</u>

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

(6) Changes in Capital Assets -

Capital asset activity for the year ended December 31, 2018 for governmental is as follows:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
<u>Governmental Activities</u>				
Capital Assets not being Depreciated:				
Land	\$ 120,350	\$ -	\$ -	\$ 120,350
Total Capital Assets not being Depreciated	120,350	-	-	120,350
Capital Assets being Depreciated:				
Buildings and Improvements	128,056	10,439	-	138,495
Infrastructure	60,000	-	-	60,000
Vehicles	28,234	40,641	28,234	40,641
Machinery and Equipment	53,288	-	-	53,288
Furniture and Equipment	15,057	-	-	15,057
Total Capital Assets being Depreciated	284,635	51,080	28,234	307,481
Less Accumulated Depreciation:				
Buildings and Improvements	55,238	6,246	-	61,484
Infrastructure	57,000	3,000	-	60,000
Vehicles	28,234	4,064	28,234	4,064
Machinery and Equipment	41,821	4,977	-	46,798
Furniture and Equipment	13,478	514	-	13,992
Total Accumulated Depreciation	195,771	18,801	28,234	186,338
Total Capital Assets being Depreciated, Net	88,864	32,279	-	121,143
Total Governmental Activities				
Capital Assets, Net	\$ 209,214	\$ 32,279	\$ -	\$ 241,493

Depreciation expense for the year ended December 31, 2018 is \$18,801, as reported in the Statement of Activities.

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

(7) Long-Term Debt -

The Livingston Parish Convention and Visitors Bureau has no long-term debt transactions for the year ended December 31, 2018.

(8) Leases -

The Bureau entered into an operating lease agreement with the Xerox Corporation for a multifunction copier/printer in February 2018. The life of the lease is five years (sixty months) and the minimum lease payment is \$344 per month. Additional charges for printing are stipulated in the lease.

Rental expense under this leases was \$4,475 for the year ended December 31, 2018. Future minimum lease payments under this lease are \$4,125 for the next four years and \$687 for the final year.

(9) Litigation -

At December 31, 2018, there is no litigation pending against the Bureau.

(10) Risk Management -

The Bureau is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Bureau maintains commercial insurance policies for the claims related to the aforementioned risks. The Bureau's payment of the insurance policy deductible is the only liability associated with these policies.

(11) Compensation Paid Board Members -

None of the board of directors receive compensation for serving on the board. The listing of board members are as follows:

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

<u>Name, Title, Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Expiration</u>
Lynn Sibley, Chairperson (225) 954-0493	13515 Fondren Sibley Rd. Walker, LA 70785	\$ -	2/11/2020
Lanelle Arceneaux, Vice-Chairperson (985) 974-1442	243340 Carl Bowman Rd. Springfield, LA 70462	-	2/11/2020
Donna Jennings, Secretary/Treasurer (985) 667-8308	P.O Box 1629 Denham Springs, LA 70727	-	2/11/2020
Bridgette Gilbert, Board Member (225) 361-1765	238 N. College East Denham Springs, LA 70726	-	2/11/2020
Dean Lawrence, Board Member (225) 413-4191	11386 Judalon Dr. Denham Springs, LA 70727	-	2/11/2020
David Richardson, Board Member (225) 276-8088	20090 Aydell Ln. French Settlement, LA 70733	-	2/11/2020
Clark Forrest, Board Member (985) 351-5653	30147 Forrest Lane Holden, LA 70744	-	2/11/2020
		<u><u>\$ -</u></u>	

(12) Schedule of Compensation, Benefits and Other Payments to Agency Head -

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by Eric Edwards, Executive Director, who was the acting agency head for the year ended December 31, 2018:

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 79,356
Benefits - Insurance	9,756
Benefits - Retirement	1,835
Per Diem	3,425
Cellular Phone Reimbursement	1,314
Other Reimbursements	120
Continuing Professional Education Fees	2,170
Conference Travel/Lodging	6,775
Special Meals	752
	<u>\$ 105,503</u>

(13) Current Accounting Pronouncements -

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 a 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, 2019. Earlier application is encouraged. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

Management is currently evaluating the effects of each of the new GASB pronouncements.

(14) Subsequent Events -

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 25, 2019, the date which the financial statements were available to be issued.

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



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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*

Board of Commissioners
Livingston Parish Convention and Visitors Bureau
Livingston Parish Council
Albany, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Livingston Parish Convention and Visitors Bureau (the Bureau) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements, and have issued our report thereon dated June 25, 2019.

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 opinions 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 Bureau'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 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 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 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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 25, 2019

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2018

Current Year Findings:

Internal Control Over Financial Reporting

None

Compliance and Other Matters

None

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2018

Prior Year Findings:

Internal Control Over Financial Reporting

None

Compliance and Other Matters

None

LIVINGSTON PARISH CONVENTION AND VISITORS BUREAU

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

DECEMBER 31, 2018

ALBANY, LOUISIANA



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Independent Accountant's Report
on Applying Agreed-Upon Procedures

Board of Directors
Livingston Parish Convention and Visitors Bureau
Livingston Parish Council
Albany, Louisiana

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. – **No Exceptions.**
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes. – **No Exceptions**
 - c) ***Disbursements***, including processing, reviewing, and approving – **No Exceptions.**

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No Exceptions.**
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked. – **No Exceptions.**
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. – **No Exceptions.**
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases). – **No Exceptions.**
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No Exceptions.**
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. – **No Exceptions.**
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. – **No Exceptions.**

Bank Reconciliations

- 2. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged); – **No Exceptions.**
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); – **No Exceptions.**
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. – **No Exceptions.**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

3. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No Exceptions.**
4. For each location selected under #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. – **No Exceptions.**
 - b) At least two employees are involved in processing and approving payments to vendors. – **No Exceptions.**
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. – **No Exceptions.**
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No Exceptions.**

Note – A third party outside accountant handles processing payments and adds vendors to the accounting system. The mitigating controls are that the executive director or assistant director review and approve invoices prior to submission for processing for payments. In addition, the authorized check signers, who are the board of directors, review and approve payments and physically sign all checks. No corrective action is required.

5. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement. – **No Exceptions.**
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #4, as applicable. – **No Exceptions.**

Payroll and Personnel

6. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files. – **No Exceptions.**

7. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #6 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Exception – For the selected pay period, we noted that the number of hours documented on the attendance sheet for one employee did not agree to the number of hours paid on the respective payroll report. There was a clerical error when transposing the hours from the sign in sheet to the time report spreadsheet.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials. – **No Exceptions.**
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **No exceptions.**
8. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. – **No termination payments during 2018.**
9. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines. – **No exceptions.**

Debt Service (excluding nonprofits)

10. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained. **The Bureau did not issue any debt during the fiscal period.**
11. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants. **The Bureau had no outstanding debt during the fiscal period.**
12. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off. **The Bureau had no tax millages relating to debt service.**

Management's Response/Corrective Action to Exceptions

The Bureau's responses to the exceptions identified in our performance of the SAUPs are attached. The Bureau's responses were not subjected to any procedures applied in the SAUPs and, accordingly, we express no opinion or any assurance on them.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 25, 2019



Management Response to Exception:

The Director/or Assistant director will place time sheets and time report side by side to make sure all employee's hours match the time report that is submitted to Smith's Accounting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Edwards", is written over a white background.

Eric Edwards

Executive Director

Livingston Parish Convention & Visitor's Bureau