

**LAFAYETTE PARISH CONVENTION
AND VISITORS COMMISION**

Lafayette, Louisiana

Financial Report

Year Ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

The President and Members of
the Board of Commissioners
Lafayette Parish Convention
and Visitors Commission
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Convention and Visitors Commission, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Convention and Visitors Commission, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability (asset), schedule of employer contributions, and notes to the required supplementary information on pages 38-41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Convention and Visitors Commission's basic financial statements. The other supplementary information on pages 44 through 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The balance sheets-governmental fund and the statements of revenues, expenditures, and changes in fund balance-governmental fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the balance sheet and the statement of revenues, expenditures, and changes in fund balance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Commission's basic financial statements for the year ended December 31, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements as a whole. The 2018 information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information on pages 44 through 45 has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 information is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The General Fund-budgetary comparison schedule-revenues and the General Fund-budgetary comparison schedule-expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2020, on our consideration of the Lafayette Parish Convention and Visitors Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lafayette Parish Convention and Visitors Commission's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
June 3, 2020

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Net Position
December 31, 2019

ASSETS

Current assets:

Cash and investments	\$ 2,630,141
Taxes receivable	282,324
Accounts receivable	39,356
Prepaid items	194,675
Lease deposit	350
Total current assets	<u>3,146,846</u>

Noncurrent assets:

Capital assets, net	<u>2,203,919</u>
Total noncurrent assets	<u>2,203,919</u>

Total assets	<u>5,350,765</u>
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DEFERRED OUTFLOWS OF RESOURCES	<u>593,972</u>
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LIABILITIES

Current liabilities:

Accounts payable	82,771
Payroll liabilities	<u>2,763</u>
Total current liabilities	<u>85,534</u>

Noncurrent liabilities:

Net pension Liability	653,073
Compensated absences payable	<u>4,832</u>
Total noncurrent liabilities	<u>657,905</u>

Total liabilities	<u>743,439</u>
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DEFERRED INFLOWS OF RESOURCES	<u>41,244</u>
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NET POSITION

Investment in capital assets	2,203,919
Unrestricted	<u>2,956,135</u>
Total net position	<u>\$ 5,160,054</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Activities
For the Year Ended December 31, 2019

Expenses:	
Culture and recreation -	
Personnel	\$ 1,400,254
Administrative and public affairs	328,173
Tourism program	1,015,835
Convention program	191,950
Membership	878
Sports events	125,983
Gateway	42,500
Festival promotion	93,473
Local awareness	89,824
Parish external agency projects	98,605
Unplanned events	<u>208,124</u>
Total expenses	<u>3,595,599</u>
Program revenues:	
Fees and service	69,285
Co-op programs	330,363
Operating grants and contributions	<u>136,528</u>
Total program revenues	<u>536,176</u>
Net program expense	<u>(3,059,423)</u>
General revenues:	
Accommodation taxes, levied for general purposes	3,169,389
Interest and investment earnings	86,379
Intergovernmental revenue	<u>11,244</u>
Total general revenues	<u>3,267,012</u>
Change in net position	207,589
Beginning net position	<u>4,952,465</u>
Ending net position	<u>\$ 5,160,054</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - GOVERNMENTAL FUND

MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Balance Sheet
Governmental Fund
December 31, 2019

ASSETS

Cash and investments	\$ 2,630,141
Taxes receivable	282,324
Accounts receivable	39,356
Prepaid items	194,675
Lease deposit	350
Total assets	<u>\$ 3,146,846</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 82,771
Payroll liabilities	<u>2,763</u>
Total liabilities	<u>85,534</u>
Fund balance:	
Nonspendable	194,675
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>2,866,637</u>
Total fund balance	<u>3,061,312</u>
Total liabilities and fund balance	<u>\$ 3,146,846</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2019

Total fund balance for the governmental fund at December 31, 2019 \$ 3,061,312

Total net position reported for governmental activities in the statement of net position is different because:

The noncurrent assets used in governmental activities are not a current use of financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets:

Buildings and improvements, net of \$391,728 accumulated depreciation	\$2,095,484	
Equipment, net of \$77,253 accumulated depreciation	<u>108,435</u>	2,203,919

The deferred outflows of expenditures are not a use of current resources, and are therefore not reported in the funds:

Pension plan		593,972
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General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. The debt is:

Compensated absences payable	(4,832)	
Net pension liability	<u>(653,073)</u>	<u>(657,905)</u>

The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:

Pension plan		<u>(41,244)</u>
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Total net position of governmental activities at December 31, 2019 \$ 5,160,054

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
For the Year Ended December 31, 2019

Revenues:	
Taxes	\$ 3,169,389
State grants	136,528
Fees and service	69,285
Co-op programs	330,363
Interest	<u>86,379</u>
Total revenues	<u>3,791,944</u>
Expenditures:	
Current -	
Culture and recreation:	
Personnel	1,262,701
Administrative and public affairs	303,851
Tourism program	1,015,835
Convention program	191,950
Membership	878
Sports events	125,983
Gateway	42,500
Festival promotion	93,473
Local awareness	89,824
Parish external agency projects	98,605
Unplanned events	208,124
Capital outlay	<u>1,254,186</u>
Total expenditures	<u>4,687,910</u>
Deficiency of revenues over expenditures	(895,966)
Fund balance, beginning of year	<u>3,957,278</u>
Fund balance, end of year	<u>\$ 3,061,312</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

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, 2019

Total net change in fund balance at December 31, 2019	
Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ (895,966)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 1,254,186	
Depreciation expense for the year ended December 31, 2019	<u>(24,322)</u>	<u>1,229,864</u>

Expenses not requiring the use of current financial resources and, therefore, not reported as expenditures in the governmental funds

Net change in compensated absences payable	4,756	
Net change in net pension asset and related deferreds	<u>(131,065)</u>	<u>(126,309)</u>

Total change in net position at December 31, 2019 per Statement of Activities	<u>\$ 207,589</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTION - FIDUCIARY FUND

AGENCY FUND

The following fund is reflected in the statement of fiduciary net position.

Visitor Enterprise Fund

To account for funds appropriated by the Louisiana State Treasury.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Fiduciary Net Position - Agency Fund
December 31, 2019

Assets	
Cash and cash equivalents	<u>\$ 55,614</u>
Liabilities	
Due to others	<u>\$ 55,614</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The Lafayette Parish Convention and Visitors Commission (hereafter referred to as the "Commission") has been created by and in accordance with provisions of Act 38 of the State of Louisiana of 1974, Lafayette Parish Ordinance No. 277 of 1974, for the purpose of promoting the Convention and Visitors Industry of the Lafayette Parish area to the greatest possible extent.

The accompanying financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, *Audits of States and Local Governments*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Commission and legislative branches (the President and Board of Commissioners). Control by or dependence on the Commission was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain units of local government over which the Commission exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Commission.

The Commission is governed by a Board of Commissioners composed of nine members. One member is appointed by the Acadiana Hotel-Motel Association; one member is appointed by the Restaurant Association; one member is appointed by the Retail Merchants Association; one member is appointed by the President of the Lafayette Parish Consolidated Government; four members are appointed by the Lafayette Parish Consolidated Government; and one member is appointed by One Acadiana (formerly the Greater Lafayette Chamber of Commerce).

The Commission is considered a related organization of the Lafayette City – Parish Consolidated Government. The Government is responsible for appointing members to the Board of Commissioners but the Government's accountability does not extend beyond making these appointments.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Commission has no business-type activities.

The statement of activities presents a comparison between program revenues of the Commission and the cost of the function. Program revenues are derived directly from Commission users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Commission are classified into two categories – governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Commission or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The fund of the Commission considered to be a major fund is described below:

Governmental Fund -

General Fund

The General Fund is the principal fund of the Commission and is used to account for all and report all financial resources of the Commission. General operating expenditures are paid from this fund.

Additionally, the Commission reports the following fund type:

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

Fiduciary Fund –

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds with the Commission. The fund accounted for in this category for the Commission is an agency fund. The agency fund is as follows:

Visitor Enterprise Fund - To account for funds appropriated by the Louisiana State Treasury.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with these activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the year, excluding the BP grant program. For the BP grant program, the government uses 18 months as the availability period. Fiduciary funds are presented on the cash basis of accounting, which approximates the modified accrual basis of accounting.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and money market mutual fund investments of the Commission.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for buildings, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Commission's threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Equipment and vehicles	5-15 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

Compensated Absences

Employees of the Commission's office earn from 12 to 18 days per year of vacation leave depending on length of service. In addition, employees earn 12 days of sick leave each year. Employees, with the exception of the President & CEO, shall be allowed to carry over one-third of their vacation leave earned during the current calendar year. With Board approval, the President & CEO is paid for any unused vacation leave at year-end. Sick leave may be accumulated to a maximum of 130 days; however, sick leave is not payable upon termination. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are recorded in the government-wide statements as long-term debt. An employee who has depleted his/her accumulated sick and annual leave as a result of a seriously incapacitating and extended illness or injury may ask to receive donations of sick leave from other employees through the Sick Leave Bank (Medical Leave Assistance Program) in order that the ill/injured employee may receive income during the period when they are unable to work. The employee must have been with the Commission a minimum of six months.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

- c. Unrestricted net position -- Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance of the governmental fund is 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 constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the Lafayette Parish Convention and Visitors Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board of Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Lafayette Parish Convention and Visitors Commission's adopted policy, only the Board of Commissioners may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

As of December 31, 2019 , fund balances are composed of the following:

	General Fund
Nonspendable:	
Prepaid items	\$ 194,675
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	<u>2,866,637</u>
Total fund balances	<u>\$ 3,061,312</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Lafayette Parish Convention and Visitors Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Lafayette Parish Convention and Visitors Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items.

F. Expenditures

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character. In the fund financial statements, governmental funds report expenditures of financial resources.

G. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

(2) Cash and Investments

Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the Commission has cash and interest bearing deposits (book balances) totaling \$2,370,848, of which \$55,614 is attributable to nonmajor fiduciary funds, which are not presented in the statement of net position.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Commission's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2019, are secured as follows:

Bank balances	<u>\$ 2,771,213</u>
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At December 31, 2019 the deposits are secured as follows:

Federal deposit insurance	\$ 250,000
Uninsured and collateral held by pledging bank not in Lafayette Convention and Visitors Commission's name	<u>2,521,213</u>
Total	<u>\$ 2,771,213</u>

Deposits in the amount of \$2,521,213 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not the Commission's name. The Commission does not have a policy for custodial credit risk.

At December 31, 2019, the Commission has one money market mutual fund investment. This investment is composed of Treasury bills, notes, and other obligations that are fully guaranteed as to payment by the United States government. Because of the safety of this investment, this investment takes exception to state law requiring security of federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The Commission had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP, which is also considered to be a money market mutual fund investment identified in the preceding sentences. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
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Notes to Basic Financial Statements (continued)

reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

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. 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No, 512, Act 701) enacted LSA-R.S. 33:2955 (a) (1) (h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted 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 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.

At December 31, 2019, the Commission's investment, at cost, is \$314,907. The amortized cost of this investment at December 31, 2019 is \$315,525. Because cost approximates amortized cost, the carrying value was not adjusted.

(3) Taxes Receivable

The balance in taxes receivable of \$282,324 at December 31, 2019 represents the Commission's portion of the accommodation tax collected in December by the parish tax collector.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
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Notes to Basic Financial Statements (continued)

(4) Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Balance</u> 01/01/19	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/19
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 705,204	\$ -	\$ (705,204)	\$ -
Capital assets being depreciated:				
Buildings and improvements	624,841	1,862,371	-	2,487,212
Equipment	<u>96,757</u>	<u>97,019</u>	<u>(8,088)</u>	<u>185,688</u>
Totals	<u>1,426,802</u>	<u>1,959,390</u>	<u>(713,292)</u>	<u>2,672,900</u>
Less accumulated depreciation				
Buildings and improvements	(375,812)	(15,916)	-	(391,728)
Equipment	<u>(76,935)</u>	<u>(8,406)</u>	<u>8,088</u>	<u>(77,253)</u>
Total accumulated depreciation	<u>(452,747)</u>	<u>(24,322)</u>	<u>8,088</u>	<u>(468,981)</u>
Governmental activities, capital assets, net	<u>\$ 974,055</u>	<u>\$ 1,935,068</u>	<u>\$ (705,204)</u>	<u>\$ 2,203,919</u>

Depreciation expense was charged to governmental activities as follows:

Administration and public affairs	<u>\$ 24,322</u>
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(5) Changes in Long-Term Liabilities

The following is a summary of compensated absences transactions of the Commission for the year ended December 31, 2019. Because this relates to governmental activities, payments are made from the general fund.

	<u>Balance</u> 01/01/19	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 12/31/19
Compensated absences	<u>\$ 9,588</u>	<u>\$ -</u>	<u>\$ (4,756)</u>	<u>\$ 4,832</u>

(6) Leasing Arrangements

The Commission has one operating lease agreement for the lease of a vehicle. The lease was initiated in 2019 for a term of four years. Rental expense for the year ended December 31, 2019 was

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
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Notes to Basic Financial Statements (continued)

\$10,415. The following is a schedule of minimum future rentals for the operating lease as of December 31, 2019:

<u>Year Ended December 31,</u>	<u>Total</u>
2020	\$ 8,220
2021	8,220
2022	8,220
2023	6,165
Total	\$ 30,825

(7) Risk Management

The Commission is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage for any of the past three fiscal years.

(8) Board of Commissioners' Compensation

No per diem or other compensation was paid to commissioners of the Lafayette Parish Convention and Visitors Commission for the year ended December 31, 2019.

(9) Change in Agency Fund Balance

Change in agency fund balance due to others is as follows:

	<u>Visitor Enterprise Fund</u>
Balance, December 31, 2018	\$ 33,106
Additions	202,458
Reductions	(179,950)
Balance, December 31, 2019	\$ 55,614

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
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Notes to Basic Financial Statements (continued)

(10) Pension Plan/GASB 68

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana and additions to/deductions from the Retirement System's fiduciary net position have been determined on the same basis as they are reported by the Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of Significant Accounting Policies:

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement. No. 68—*Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The System's employer pension schedules are prepared using the accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2018.

System Employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
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Notes to Basic Financial Statements (continued)

determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The Lafayette Parish Convention and Visitors Commission participates in a cost sharing multiple employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

Generally, the monthly amount of the retirement allowance of any member shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
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Notes to Basic Financial Statements (continued)

the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

A member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Employer Allocations:

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the plan during the fiscal year ended December 31, 2018 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2018.

Pension liability (asset), Pension expense, Deferred outflows of resources, and Deferred inflows of resources related to pensions:

At December 31, 2019, the Commission reported a liability of \$653,073 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Commission's proportion was .147143% which was an increase of .014508% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Commission recognized pension expense of \$254,639 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$649.

At December 31, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 39,787
<i>Net difference between projected and actual earnings on pension plan investments</i>	312,628	-
Changes of assumptions	163,290	-
Change in proportion and differences between Employer contributions and proportionate share of contributions	6,373	1,457
Employer contributions subsequent to the measurement date	<u>111,681</u>	<u>-</u>
Total	<u>\$ 593,972</u>	<u>\$ 41,244</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

Deferred outflows of resources of \$111,681 related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended		
12/31/2020		\$ 150,567
12/31/2021		83,346
12/31/2022		69,031
12/31/2023		<u>138,103</u>
		\$ 441,047

Contributions-proportionate share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Actuarial Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018 are as follows:

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP 2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for disabled annuitants.
Inflation Rate	2.40%

Discount Rate:

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

	Changes in Discount Rate		
	1%	Current	1%
	Decrease 5.50%	Discount Rate 6.50%	Increase 7.50%
Employer's Proportionate share of Net Pension Liability	<u>\$1,386,953</u>	<u>\$ 653,073</u>	<u>\$ 39,614</u>

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2019 were recognized in the current reporting period as pension expense except as follows:

- A. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amounts of \$39,787 for the year ended December 31, 2019.

- B. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five- year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amounts of \$312,628 for the year ended December 31, 2019.

- C. Change of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$163,290 for the year ended December 31, 2019.

- D. Change in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/ (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of \$6,373 and a deferred inflow of \$1,457 for the year ended December 31, 2019.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Basic Financial Statements (continued)

(11) Act 706 - Schedule of Compensation, Reimbursements, Benefits and Other Payments to Entity Head

Under Act 706, the Lafayette Parish Convention and Visitors Commission is required to disclose the compensation, reimbursements, benefits, and other payments made to the President & CEO, in which the payments are related to the position. The following is a schedule of payments made to the President & CEO as of December 31, 2019:

Agency Head Name:

Benjamin J. Berthelot, President and CEO

Salary	\$ 158,262
Benefits - insurance	8,533
Benefits - retirement	17,464
Benefits - vehicle lease	8,220
Benefits - auto insurance on leased vehicle	<u>3,814</u>
 Total	 <u>\$ 196,293</u>

(12) New Accounting Pronouncement

In January of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The effect of implementation on the Commission's financial statements has not yet been determined. On May 8, 2020, the GASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for fiscal years ending December 31, 2020.

(13) Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, the following fund had actual expenditures over appropriations:

Fund	Final Budget	Actual	Excess
General Fund	\$ 4,630,000	\$ 4,687,910	\$ (57,910)

(14) Subsequent Event

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The Commission expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,200,000	\$ 3,200,000	\$ 3,169,389	\$ (30,611)
State grants	-	-	136,528	136,528
Fees and service	90,000	90,000	69,285	(20,715)
Co-op programs	100,000	100,000	330,363	230,363
Interest	40,000	40,000	86,379	46,379
Total revenues	<u>3,430,000</u>	<u>3,430,000</u>	<u>3,791,944</u>	<u>361,944</u>
Expenditures:				
Current -				
Culture and recreation:				
Personnel	1,330,500	1,330,500	1,262,701	67,799
Administrative and public affairs	300,000	300,000	303,851	(3,851)
Tourism program	1,007,000	1,007,000	1,015,835	(8,835)
Convention program	182,500	182,500	191,950	(9,450)
Membership	4,000	4,000	878	3,122
Film commission program	10,000	10,000	-	10,000
Sports events	124,000	124,000	125,983	(1,983)
Gateway	60,000	60,000	42,500	17,500
Festival promotion	80,000	80,000	93,473	(13,473)
Local awareness	52,000	52,000	89,824	(37,824)
Parish external agency projects	105,000	105,000	98,605	6,395
Unplanned events	100,000	100,000	208,124	(108,124)
Capital outlay	<u>75,000</u>	<u>1,275,000</u>	<u>1,254,186</u>	<u>20,814</u>
Total expenditures	<u>3,430,000</u>	<u>4,630,000</u>	<u>4,687,910</u>	<u>(57,910)</u>
Deficiency of revenues over expenditures	-	(1,200,000)	(895,966)	304,034
Fund balance, beginning of year	<u>3,957,278</u>	<u>3,957,278</u>	<u>3,957,278</u>	-
Fund balance, end of year	<u>\$ 3,957,278</u>	<u>\$ 2,757,278</u>	<u>\$ 3,061,312</u>	<u>\$ 304,034</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Employer's Share of Net Pension Liability (Asset)
For the Year Ended December 31, 2019

Year Ended Dec 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll Obligation	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00136450000	\$ 37,307	783,606	4.76%	99.15%
2016	0.00142550000	\$ 375,233	825,452	45.46%	92.23%
2017	0.00139187000	\$ 286,657	816,390	35.11%	94.15%
2018	0.00132635000	\$ (98,448)	904,570	-10.88%	101.98%
2019	0.00147143000	\$ 653,073	969,652	67.35%	88.86%

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Employer Contributions
For the Year Ended December 31, 2019

Year ended Dec 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 118,512	\$ 118,512	\$ -	\$ 817,325	14.50%
2016	\$ 104,613	\$ 104,613	\$ -	\$ 783,606	13.35%
2017	\$ 102,000	\$ 102,000	\$ -	\$ 825,452	12.36%
2018	\$ 104,026	\$ 104,026	\$ -	\$ 816,390	12.74%
2019	\$ 111,681	\$ 111,681	\$ -	\$ 904,570	12.35%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

(1) Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or as amended by the Commission. All budgetary appropriations lapse at the end of each fiscal year.

(2) Pension Plan

Changes of Assumptions-Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Balance Sheets
Governmental Fund
December 31, 2019

With Comparative Amounts for December 31, 2018

	2019	2018
ASSETS		
Cash and investments	\$ 2,630,141	\$ 3,556,263
Taxes receivable	282,324	250,768
Accounts receivable	39,356	14,797
Prepaid items	194,675	161,720
Lease deposit	350	350
Total assets	\$ 3,146,846	\$ 3,983,898
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	82,771	23,897
Payroll tax liabilities	2,763	2,723
Total liabilities	85,534	26,620
Fund balance:		
Nonspendable	194,675	161,720
Restricted	-	-
Committed	-	1,300,000
Assigned	-	-
Unassigned	2,866,637	2,495,558
Total fund balance	3,061,312	3,957,278
Total liabilities and fund balance	\$ 3,146,846	\$ 3,983,898

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statements of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
For the Year Ended December 31, 2019
With Comparative Amounts for the Year Ended December 31, 2018

	2019	2018
Revenues:		
Taxes	\$ 3,169,389	\$ 2,970,812
State funds and grants	136,528	245,684
Fees and service	69,285	91,388
Co-op programs	330,363	204,172
Interest	86,379	83,855
Total revenues	3,791,944	3,595,911
Expenditures:		
Current -		
Culture and recreation:		
Personnel	1,262,701	1,207,611
Administrative and public affairs	303,851	301,446
Tourism program	1,015,835	1,302,186
Convention program	191,950	221,712
Membership	878	6,003
Winter visitor marketing	-	795
Film commission program	-	20,181
Sports events	125,983	114,790
Gateway	42,500	72,500
Festival promotion	93,473	88,212
Local awareness	89,824	125,984
Parish external agency projects	98,605	99,968
Unplanned events	208,124	56,269
Capital outlay	1,254,186	705,204
Total expenditures	4,687,910	4,322,861
Deficiency of revenues over expenditures	(895,966)	(726,950)
Fund balance, beginning of year	3,957,278	4,684,228
Fund balance, end of year	\$ 3,061,312	\$ 3,957,278

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Taxes:				
Hotel and motel tax	\$ 3,200,000	\$ 3,200,000	\$ 3,169,389	\$ (30,611)
Intergovernmental:				
State grants	-	-	136,528	136,528
Fees and services:				
Memberships	30,000	30,000	23,919	(6,081)
Allons	60,000	60,000	45,366	(14,634)
	<u>90,000</u>	<u>90,000</u>	<u>69,285</u>	<u>(20,715)</u>
Miscellaneous:				
Co-op programs	100,000	100,000	330,363	230,363
Interest	40,000	40,000	86,379	46,379
	<u>140,000</u>	<u>140,000</u>	<u>416,742</u>	<u>276,742</u>
 Total revenues	 <u>\$ 3,430,000</u>	 <u>\$ 3,430,000</u>	 <u>\$ 3,791,944</u>	 <u>\$ 361,944</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Current:				
Culture and recreation:				
Personnel -				
Salaries	\$ 1,041,500	\$ 1,041,500	\$ 1,008,137	\$ 33,363
Payroll taxes	14,000	14,000	18,306	(4,306)
Hospitalization	160,000	160,000	124,577	35,423
Retirement	115,000	115,000	111,681	3,319
Total personnel	<u>1,330,500</u>	<u>1,330,500</u>	<u>1,262,701</u>	<u>67,799</u>
Administrative and public affairs -				
Collection - hotel and motel tax	19,000	19,000	16,674	2,326
Insurance and bonding	25,000	25,000	29,425	(4,425)
Telephone and telegraph	20,000	20,000	22,366	(2,366)
Utilities and sanitation service	26,000	26,000	19,709	6,291
Janitorial service	15,000	15,000	14,942	58
Equipment rental	12,000	12,000	6,595	5,405
Office supplies and equipment	32,000	32,000	31,006	994
Postage	30,000	30,000	14,399	15,601
Auto lease	14,000	14,000	10,415	3,585
Accounting	30,000	30,000	30,265	(265)
Admin/Public Affairs Program-Other	-	-	101	(101)
Legal and administrative advertising	5,000	5,000	13,204	(8,204)
Professional membership	20,000	20,000	24,026	(4,026)
Uniforms	1,000	1,000	100	900
Staff education	1,000	1,000	150	850
Web development	50,000	50,000	70,474	(20,474)
Total administrative and public affairs	<u>300,000</u>	<u>300,000</u>	<u>303,851</u>	<u>(3,851)</u>
Tourism program -				
Magazine and newspaper advertising	465,000	465,000	509,617	(44,617)
Outdoor advertising	40,000	40,000	31,066	8,934
Printed literature	20,000	20,000	20,152	(152)
Special promotional aids	10,000	10,000	14,206	(4,206)
Allons Content	25,000	25,000	17,591	7,409
In house Publication	50,000	50,000	45,070	4,930
SEM/SEO	100,000	100,000	96,600	3,400
Promotional - events, tours, shows	200,000	200,000	193,780	6,220
Services for visitors	7,000	7,000	7,504	(504)

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Travel by staff	\$ 75,000	\$ 75,000	\$ 65,672	\$ 9,328
Auto gas and oil	3,000	3,000	1,650	1,350
Professional memberships	9,000	9,000	10,863	(1,863)
Staff education	3,000	3,000	2,064	936
Total tourism program	<u>1,007,000</u>	<u>1,007,000</u>	<u>1,015,835</u>	<u>(8,835)</u>
Convention program -				
Magazine and newspaper advertising	25,000	25,000	(3,678)	28,678
Outdoor advertising	17,000	17,000	15,964	1,036
Printed literature	2,000	2,000	198	1,802
Specialty promotional aids	10,000	10,000	12,791	(2,791)
Promotional - events, tours, shows	30,000	30,000	28,501	1,499
Services for conventions and meetings	3,000	3,000	760	2,240
Travel by staff	12,000	12,000	21,434	(9,434)
Auto gas and oil	2,500	2,500	2,284	216
Convention assistance program	75,000	75,000	105,474	(30,474)
Professional memberships	5,000	5,000	6,248	(1,248)
Staff education	1,000	1,000	1,974	(974)
Total convention program	<u>182,500</u>	<u>182,500</u>	<u>191,950</u>	<u>(9,450)</u>
Membership program -				
Entertainment by staff	500	500	388	112
Travel by staff	100	100	-	100
Printed literature	3,000	3,000	-	3,000
Staff education	200	200	490	(290)
Professional memberships	200	200	-	200
Total membership program	<u>4,000</u>	<u>4,000</u>	<u>878</u>	<u>3,122</u>
Film commission program -				
Video coordination	10,000	10,000	-	10,000
Total film commission program	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sports events -				
Printed literature	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500
Promotional - events, tours, shows	115,000	115,000	119,228	(4,228)
Travel by staff	4,000	4,000	4,255	(255)
Total sports events	<u>124,000</u>	<u>124,000</u>	<u>125,983</u>	<u>(1,983)</u>
Gateway -				
Contributions to Gateway project	<u>60,000</u>	<u>60,000</u>	<u>42,500</u>	<u>17,500</u>
Festival promotion program -				
Printed literature	<u>80,000</u>	<u>80,000</u>	<u>93,473</u>	<u>(13,473)</u>
Total festival promotion program	<u>80,000</u>	<u>80,000</u>	<u>93,473</u>	<u>(13,473)</u>
Local awareness -				
Eat Lafayette	40,000	40,000	81,989	(41,989)
Printed literature	4,000	4,000	1,335	2,665
Promotional - events, tours, shows	<u>8,000</u>	<u>8,000</u>	<u>6,500</u>	<u>1,500</u>
Total local awareness program	<u>52,000</u>	<u>52,000</u>	<u>89,824</u>	<u>(37,824)</u>
Parish external agency projects -				
Arts promotion and development	55,000	55,000	20,429	34,571
Lafayette parish promotion	<u>50,000</u>	<u>50,000</u>	<u>78,176</u>	<u>(28,176)</u>
Total parish external agency projects	<u>105,000</u>	<u>105,000</u>	<u>98,605</u>	<u>6,395</u>
Unplanned events -				
Office repairs & maintenance	50,000	50,000	32,218	17,782
Future projects	<u>50,000</u>	<u>50,000</u>	<u>175,906</u>	<u>(125,906)</u>
Total unplanned events	<u>100,000</u>	<u>100,000</u>	<u>208,124</u>	<u>(108,124)</u>
Total culture and recreation	<u>3,355,000</u>	<u>3,355,000</u>	<u>3,433,724</u>	<u>(78,724)</u>
Capital outlay -				
Equipment	<u>75,000</u>	<u>1,275,000</u>	<u>1,254,186</u>	<u>20,814</u>
Total expenditures	<u>\$3,430,000</u>	<u>\$4,630,000</u>	<u>\$4,687,910</u>	<u>\$ (57,910)</u>

**INTERNAL CONTROL,
COMPLIANCE,
AND OTHER
MATTERS**

Champagne & Company, LLC

Certified Public Accountants

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INDEPENDENT AUDITORS' 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*

The President and Members of
the Board of Commissioners
Lafayette Parish Convention
and Visitors Commission
Lafayette, 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, the major fund, and the aggregate remaining fund information of the Lafayette Parish Convention and Visitors Commission, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Convention and Visitors Commission's basic financial statements and have issued our report thereon dated June 3, 2020.

Internal Control over Financial Reporting

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

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

entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness yet is 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. We did identify certain deficiencies in internal control described in the accompanying schedule of prior and current audit findings and management's corrective action plan as items 2019-001 and 2019-002 to be material weaknesses.

Compliance and Other Matters

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

Lafayette Parish Convention and Visitors Commission's Response to Findings

The Commission's response to the findings identified in our audit is described in the accompanying schedule of prior and current audit findings and management's corrective action plan. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Champagne & Company, LLC

Certified Public Accountants

June 3, 2020
Breaux Bridge, Louisiana

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended December 31, 2019

I. Prior Year Findings:

Internal Control over Financial Reporting

Item 2018-001 – Inadequate Segregation of Accounting Duties

Finding:

Due to the small number of employees, the Commission did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 2019-001.

Item 2018-002 – Inadequate Controls over Financial Statement Preparation

Finding:

The Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Status:

Unresolved. See item 2019-002.

Compliance and Other Matters

There were no findings to be reported under the above section.

Management Letter Items

There were no management letter items at December 31, 2018.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended December 31, 2019

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

Item 2019-001 – Inadequate Segregation of Accounting Duties; Year Initially Occurred--Unknown

Condition and Criteria:

The Commission did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Commission.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Mr. Ben Berthelot, President & CEO, has determined that it is not feasible to achieve adequate segregation of functions within the accounting system. No action is considered necessary.

Item 2019-002 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred—Unknown

Condition and Criteria:

The Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended December 31, 2019

Effect:

This condition represents a material weakness in the internal control of the Commission.

Cause:

The condition resulted because the Commission's personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Commission should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Mr. Ben Berthelot, President & CEO, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

Compliance and Other Matters

There are no findings required to be reported under the above section.

Management Letter Items

There are no management letter items at December 31, 2019.

**LAFAYETTE PARISH CONVENTION
AND VISITORS COMMISSION**

Lafayette, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended December 31, 2019

Champagne & Company, LLC

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Lafayette Parish Convention & Visitor's Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of Lafayette Parish Convention & Visitor's Commission 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, 2019 through December 31, 2019. The management of Lafayette Parish Convention & Visitor's Commission 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):

Written Policies and Procedures were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in December 31, 2018 (Year 2). However, since the disaster recovery policy is new in Year 3, this policy was tested. See k) below.

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
- 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.
- c) **Disbursements**, including processing, reviewing, and approving

- 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).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- 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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

Board or Finance Committee procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Bank Reconciliation procedures were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in December 31, 2018 (Year 2).

- 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);
- 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); and
- 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.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that listing is complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location and observe that job duties are properly segregated at each collection location such that:

Obtained listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written representation and procedures relating to employee job duties.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
No exceptions noted.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing; such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

- 8. 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).

Obtained listing of locations and management's representation that the listing is complete.

- 9. For each location selected under #8 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:

Obtained a listing of employees involved with non-payroll purchasing and payment functions and written policies and procedures relating to employee job duties.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

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

No exceptions noted.

- 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 noted.

- 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 noted.

10. For each location selected under #8 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:

Obtained the non-payroll disbursement transaction population and management's representation that the listing is complete.

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

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

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

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

Credit Card procedures were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in December 31, 2018 (Year 2).

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Travel and Expense Reimbursement procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing or general ledger is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Contract procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. 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.

Payroll procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 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.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. 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/official's cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/official's personnel files.
19. Obtain management's representation that employer and employee portion of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

Ethics procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Debt Service procedures were not tested at December 31, 2019 (Year 3) due to the fact that Lafayette Parish Convention and Visitors Commission did not issue debt this fiscal year nor did they have outstanding debt in the prior fiscal year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Other procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
June 3, 2020