

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

(Audited Financial Statements and Other Information)

RUSTON, LOUISIANA

DECEMBER 31, 2020

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Ruston-Lincoln Convention and Visitors Bureau provides an overview of the Bureau's financial activities for the fiscal years ended December 31, 2020 and 2019. Please read it in conjunction with the Bureau's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the **Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments***.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Bureau as a whole. Fund financial statements start on Page 5. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Bureau's operations in more detail than the government-wide statements by providing information about the Bureau's most significant funds. The accompanying financial statements present information only on the funds maintained by the Bureau.

Reporting the Funds Maintained by the Bureau as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the Bureau as a whole begins on Page 3. The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Bureau as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the Bureau's *net position* and changes in them. The Bureau's net position - the difference between assets and liabilities - is one way to measure the Bureau's financial health, or *financial position*. Over time, *increases or decreases* in the Bureau's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the activities in the funds maintained by the Bureau as governmental and proprietary fund activities.

Governmental activities - expenses related to, and resources provided for, the solicitation and servicing of conventions and visitor activities.

Proprietary Fund - is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Reporting the Most Significant Funds Maintained by the Bureau

Our analysis of the major funds maintained by the Bureau begins on Page 5. The fund financial statements provide detailed information about the most significant funds maintained by the Bureau - not necessarily the Bureau as a whole. The Bureau's funds use the following accounting approaches.

Governmental fund - All of the Bureau's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Bureau's operations and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bureau expenses.

THE FUNDS MAINTAINED BY THE BUREAU AS A WHOLE

The Bureau's total net position changed from a year ago, increasing to \$2,202,411 from \$2,126,066. This increase amounted to \$76,345, or 3.59% for the year ended December 31, 2020.

Table 1
Net Assets

	<u>Government-Wide Activities</u>	
	<u>2020</u>	<u>2019</u>
Current assets	964,137	955,915
Other assets	3,358	5,038
Capital assets, net	<u>1,519,609</u>	<u>1,561,573</u>
Total assets	2,487,104	2,522,526
Current liabilities	34,693	26,460
Long-term liabilities	<u>250,000</u>	<u>370,000</u>
Total liabilities	284,693	396,460
Net assets:		
Unrestricted/undesignated	932,802	934,493
Net investment in capital assets, net of related debt	<u>1,269,609</u>	<u>1,191,573</u>
Total net assets	<u>2,202,411</u>	<u>2,126,066</u>

Table 2
Changes in Net Position

	<u>Government-Wide Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues		
Government	462,293	616,835
Business-type	120,000	120,000
Interest	12,048	8,241
Charges for services	<u>100,863</u>	<u>181,956</u>
Total revenues	695,204	927,032
Expenses		
Government	618,859	808,241
Business-type	<u>-</u>	<u>-</u>
	<u>618,859</u>	<u>808,241</u>
Increase in net position	<u>76,345</u>	<u>118,791</u>

CAPITAL ASSETS

At the end of 2020, the Bureau had invested \$2,225,234 in capital assets from those funds maintained by the Bureau.

Table 3
Capital Assets at Year End

	<u>Government-Wide Activities</u>	
	<u>2020</u>	<u>2019</u>
Building	1,636,569	1,636,569
Construction in progress	-	-
Land	414,576	414,576
Furniture and equipment	<u>174,089</u>	<u>174,089</u>
	2,225,234	2,225,234
<u>Less-accumulated depreciation</u>	<u>(705,625)</u>	<u>(663,661)</u>
	<u>1,519,609</u>	<u>1,561,573</u>

FUTURE OPERATIONS

The Bureau derives the majority of its revenue from two main sources. At the local level, the Bureau receives revenue through the Lincoln Parish Police Jury on the Lodging Tax assessed and collected on hotel/motel revenue. On the state level, the Bureau receives revenue from the State of Louisiana as an allocation of the state sales tax allocated to Lincoln Parish. The Bureau does not expect any major fluctuations in these revenues in the succeeding year. In prior years, the Bureau began the acquisition of financing and planning the construction of a new Convention and Visitor's Center. The commencement of construction and placement in service of the Convention and Visitor's Center was completed in the spring of 2008. The completion of the new facility substantially increased the capital assets of the Bureau, while providing a new and spacious facility for the Bureau to operate on a daily basis, as well as providing a venue for convention and visitors to the area. There were no material capital asset acquisitions in 2020 and 2019.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Bureau and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ruston-Lincoln Convention and Visitors Bureau, 2111 North Trenton Street, Ruston, Louisiana 71270.

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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June 30, 2021

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities and the major funds of the Ruston-Lincoln Convention and Visitor's Bureau ("the Bureau") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and the major fund of the Ruston-Lincoln Convention and Visitor's Bureau as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages i through iii and budgetary comparison information on pages 19 - 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bureau's basic financial statements. The information required in accordance with Louisiana Revised Statute 24:513(A)(3) on page 26 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements or 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021 on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and cash equivalents	532,821	-	532,821
Certificates of deposit	431,316	-	431,316
Accounts receivable		-	-
Prepaid expenses		-	-
Bond issue costs-net	3,358	-	3,358
Fixed assets, net of accumulated depreciation	<u>1,519,609</u>	<u>-</u>	<u>1,519,609</u>
Total assets	<u>2,487,104</u>	<u>-</u>	<u>2,487,104</u>
<u>Liabilities and net position:</u>			
Liabilities:			
Accounts payable	27,627	-	27,627
Accrued payroll liabilities	7,066	-	7,066
Bonds payable	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total liabilities	284,693	-	284,693
<u>Net position:</u>			
Unrestricted/undesignated	932,802	-	932,802
Net investment in capital assets, net of related debt	<u>1,269,609</u>	<u>-</u>	<u>1,269,609</u>
Total net position	<u>2,202,411</u>	<u>-</u>	<u>2,202,411</u>
Total liabilities and net position	<u>2,487,104</u>	<u>-</u>	<u>2,487,104</u>

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

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(517,996)	-	(517,996)
<u>-</u>	<u>120,000</u>	<u>120,000</u>
(517,996)	120,000	(397,996)
462,293	-	462,293
-	12,048	12,048
<u>132,048</u>	<u>(132,048)</u>	<u>-</u>
<u>594,341</u>	<u>(120,000)</u>	<u>474,341</u>
76,345	-	76,345
<u>2,126,066</u>	<u>-</u>	<u>2,126,066</u>
<u>2,202,411</u>	<u>-</u>	<u>2,202,411</u>

FUND FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-GOVERNMENTAL FUNDS

DECEMBER 31, 2020

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	530,674
Certificates of deposit	433,463
Accounts receivable	-
Prepaid expenses	-
Bond issue costs-net	<u>3,358</u>
Total assets	<u>967,495</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities:</u>	
Accounts payable	27,627
Accrued payroll liabilities	<u>7,066</u>
Total liabilities	34,693
 <u>Fund balance:</u>	
Non-spendable	3,358
Spendable:	
Unassigned	<u>929,444</u>
Total fund balance	<u>932,802</u>
Total liabilities and fund balance	<u>967,495</u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES

TO NET POSITION OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2020

<u>Total Governmental Fund Balances</u>	932,802
<i>Amounts reported for governmental activities in the statement of net position is different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,519,609
Obligations in governmental activities that do not require current financial resources are not reported in the funds	<u>(250,000)</u>
<u>Net Position of Governmental Activities</u>	<u>2,202,411</u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>
<u>Revenues:</u>	
Lodging tax collections	462,293
Other revenues	<u>100,863</u>
Total revenues	563,156
<u>Expenditures:</u>	
Accounting/audit	10,950
Advertising	84,655
Auto expense	4,305
Bond principal and interest	131,113
Collection administration	
Dues and subscriptions	6,683
Grants	149,694
Hospitality and tourism awareness	1,467
Miscellaneous expenses	31,211
Office supplies and expense	1,746
Operating expenses	37,640
Payroll expense	203,321
Postage	440
Promotional fees	1,238
Research	2,670
Retirement match	10,929
Staff training	1,804
Telephone and connectivity	9,471
Travel-air	607
Travel-lodging	394
Travel-meals and entertainment	100
Utilities	<u>6,458</u>
Total expenditures	<u>696,896</u>
<u>Excess (deficiency) of revenues over expenditures</u>	(133,740)

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>
<u>Other financing sources (uses):</u>	
Operating transfers-interest	12,048
Debt service transfers-principal	<u>120,000</u>
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	(1,692)
<u>Fund balances, beginning of year</u>	<u>934,494</u>
<u>Fund balances-end of year</u>	<u><u>932,802</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RECONCILIATION OF NET CHANGE IN FUND BALANCES-GOVERNMENTAL

FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds (1,692)

Amounts reported for governmental activities in the statements of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	-
Depreciation expense	(41,963)

Governmental funds report the expenditures to service the debt over the life of the bond issue:

Debt service principal	<u>120,000</u>
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<u>Change in Net Position in Governmental Activities</u>	<u>76,345</u>
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The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-PROPRIETARY FUND

DECEMBER 31, 2020

	<u>Business-Type Activities Enterprise Fund</u>
<u>Assets:</u>	
Cash and cash equivalents	-
Certificates of deposit	<u>-</u>
Total assets	<u><u>-</u></u>
<u>Liabilities and fund balance:</u>	
Liabilities	-
<u>Net assets:</u>	
Accumulated earnings	<u>-</u>
Total liabilities and net assets	<u><u>-</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS-

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-Type Activities Enterprise Fund</u>
<u>Revenues:</u>	
Operating transfers in	120,000
<u>Expenditures:</u>	
Special appropriations	<u>(120,000)</u>
<u>Operating income</u>	-
<u>Non-operating revenues:</u>	
Interest income	12,048
<u>Other financing resources (uses):</u>	
Operating transfers out	<u>(12,048)</u>
<u>Change in net assets</u>	-
<u>Net assets, beginning of year</u>	<u>-</u>
<u>Net assets, ending of year</u>	<u><u>-</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF CASH FLOWS-

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-Type Activities Enterprise Fund</u>
<u>Increase in cash and cash equivalents:</u>	
<u>Cash flows from operations:</u>	
Transfer from General Fund	120,000
Payments to provide services	<u>(120,000)</u>
Net cash provided by operating activities	-
<u>Cash flows from investing activities:</u>	
Interest income	<u>12,048</u>
Net cash provided by investing activities	12,048
<u>Cash flows from noncapital financing activities:</u>	
Transfer to General Fund	<u>(12,048)</u>
Net cash (used) by noncapital financing activities	<u>(12,048)</u>
<u>Net increase (decrease) in cash and cash equivalents</u>	-
<u>Cash and cash equivalents, beginning of year</u>	<u>-</u>
<u>Cash and cash equivalents, end of year</u>	<u><u>-</u></u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	<u>-</u>
Net cash provided by operating activities	<u><u>-</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

The Ruston-Lincoln Convention and Visitors Bureau (the Bureau) was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and nonprofit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June 1999, the GASB unanimously approved **Statement No. 34**, “*Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*.” Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Bureau has also adopted **GASB Statement No. 54**, “*Fund Balance Reporting and Governmental Fund Type Definitions*” and **GASB Statement No. 63**, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.”

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – (GWFS) The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements – (GFFS) The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Bureau considers revenues to be available if they are collected within 60 days of the end of the fiscal year end.

Principal revenue sources considered susceptible to accrual include hotel and motel taxes levied by the Lincoln Parish Police Jury and state sales tax allocated to Lincoln Parish by the State of Louisiana. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau’s present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

1. Summary of Significant Accounting Policies (Continued)

Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. A fund is considered major if it is the primary operating fund of the Bureau or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Proprietary Fund Financial Statements – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described above.

Each proprietary fund has the option under **Governmental Accounting Standards Board (GASB), Statement 20**, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*,” to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Bureau’s enterprise fund has elected not to apply FASB issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Accounting

The financial activities of the Bureau are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Bureau uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The content and certain titles of the GWFS were changed upon the adoption by the Bureau of **GASB Statement No. 63**, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Bureau had no deferred outflows or inflows of resources at December 31, 2020.

Fund Equity in Fund Financial Statements

Governmental fund equity is classified as fund balance. The Bureau implemented **GASB Statement 54**, “*Fund Balance Reporting and Governmental Fund Type Definitions*.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and net bond issue costs as being non-spendable as these items are not expected to be converted to cash.

1. Summary of Significant Accounting Policies (Continued)

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Bureau's board of directors, which is the Bureau's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Bureau did not have any committed resources as of year-end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds, other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of **GASB Statement 54**. The intent of an assigned fund balance should be expressed by either the Bureau's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the administrator, that has the authority to assign amounts to be used for specific purposes. The Bureau did not have any assigned resources as of year-end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Bureau would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Governmental Funds

General Fund – This fund accounts for all activities of the Bureau not specifically required to be accounted for in other funds.

Proprietary Funds

Enterprise Fund – The Enterprise Fund is used mainly for the transfer of funds and expenditure of funds for payment of the debt service. It is also used for tourism purposes, including the promotion of fairs and festivals in Lincoln parish, and for economic development in Lincoln Parish as provided by Act 983 of the 1992 Regular Legislative Session.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. Summary of Significant Accounting Policies (Continued)

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is then adopted by the Board of Commissioners. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year.

Unexpended budget balances lapse at year end. The Bureau's Board of Commissioners has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board. The Board of Commissioners is nominated, elected, and approved by the existing Board members, and members terms vary in duration depending upon the Bureau's needs and Board of Commissioners willingness to serve.

Cash and Cash Equivalents

Cash includes demand deposits, money market accounts and certificates of deposit with maturity dates of three months or less from the end of the year. Under state law, the Bureau may deposit funds with 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. Further, the Bureau may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value – the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the banks as of that date.

Fund Equity in Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net invested in capital assets, net of related debt – 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 that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their 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. There was no restricted net position at December 31, 2020.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net invested in capital assets, net of related debt.”

Capital Assets

The Bureau has adopted the provisions of Governmental Accounting Standards Board Statement No. 34 as pertaining to capital assets and depreciation. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Bureau maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The purchase or acquisition of capital assets is recorded in the Statement of Net Position and Statement of Revenues, Expenditures, and Changes in Fund Balance. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

1. **Summary of Significant Accounting Policies** (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7 - 10 years
Computer and office equipment	5 - 7 years

2. **Cash**

At year end, the carrying amount (book amount) of the Bureau's cash and cash equivalents was \$419,523. Such deposits are held in financial institutions insured by the FDIC, and management reviews the safety and soundness of such institutions in its efforts to mitigate credit risk.

3. **Property and Equipment**

Capital asset activity for the year ended December 31, 2020 is as follows:

	<u>Balance</u> <u>12-31-19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>12-31-20</u>
Building	1,636,569	-	-	-	1,636,569
Land	414,576	-	-	-	414,576
Furniture and equipment	174,089	-	-	-	174,089
Construction in progress	-	-	-	-	-
	<u>2,225,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,225,234</u>
<u>Less-accumulated depreciation</u>	<u>(663,661)</u>	<u>(41,963)</u>	<u>-</u>	<u>-</u>	<u>(705,624)</u>
Net fixed assets	<u>1,561,573</u>	<u>(41,963)</u>	<u>-</u>	<u>-</u>	<u>1,519,610</u>

Depreciation expense for the year ended December 31, 2020 was \$41,963.

4. **Investments**

Other than certificates of deposits in the amount of \$431,316, the Bureau had no other investment securities at December 31, 2020.

5. **Accounts Receivable**

The accounts receivable at December 31, 2020 is as follows:

Trade accounts receivable	-
Lodging tax collections	-
Accrued interest	<u>-</u>
Total	<u>-</u>

Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

6. **Litigation and Claims**

The Lincoln Parish Convention and Visitors Bureau had no pending or threatened litigation as of December 31, 2020.

7. **Bond Payable**

As of June 28, 2007, the Board of Directors of the Ruston-Lincoln Convention and Visitors Bureau issued **Revenue Bonds, Series 2007** for the purposes of providing funds to pay for the construction of a Visitors Center and Office Complex. The Complex is occupied by the Ruston-Lincoln Convention and Visitors Bureau and the Ruston-Lincoln Chamber of Commerce staff. As of December 18, 2012, the Board of Directors voted to issue \$1,150,000 aggregate principal amount of **Revenue Refunding Bonds, Series 2012** for the purpose of refunding and extending the Revenue Bonds, Series 2007. The issuance was made pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and also under other constitutional and statutory authority. The Series 2012 bonds will mature July 1, 2022, with interest due semi-annually on January 1st and July 1st and scheduled principal reduction due each July 1st until maturity. The bond will bear interest at a variable, increasing rate, with a beginning rate of 0.75% and not exceeding 3.25% at any maturity, and are also not callable for redemption prior to their stated maturity dates.

The following is a summary of bond payable at December 31, 2020:

Ruston-Lincoln Convention and Visitors Bureau, Revenue Bonds Series 2007, bearing interest at 4.10%, principal payments begin July 1, 2008 and final maturity July 1, 2017	2,000,000
<u>Less: Original issue discount</u>	-
Principal payments-prior periods	(900,000)
Principal payments-current year	-
Payoff of Series 2007 bonds-2012	<u>(1,100,000)</u>
Net Series 2007 bonds due	-
 Ruston-Lincoln Convention and Visitors Bureau, Revenue Refunding Bonds, Series 2012, bearing interest at variable increasing rates not to exceed 3.25%, principal payments beginning July 1, 2015 and final maturity at July 1, 2022	 1,150,000
<u>Less: Original issue discount</u>	-
Principal payments-prior periods	(780,000)
Principal payments-current year	<u>(120,000)</u>
 Net Refunding Bonds, Series 2012 bonds due	 <u>250,000</u>

The annual debt service requirements to for the next five (5) years and to maturity, including principal only, for bonds payable as of December 31, 2020 are as follows:

2021	125,000
2022	<u>125,000</u>
	<u>250,000</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

BUDGETARY COMPARISON SCHEDULES

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget</u>	
	<u>Original</u>	<u>Amended</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Lodging tax collections	650,000	465,895	462,293	(3,602)
Other revenues	302,563	279,586	100,863	(178,723)
Interest income	50	50	12,048	11,998
Total revenues	<u>952,613</u>	<u>745,531</u>	<u>575,204</u>	<u>(170,327)</u>
<u>Expenditures:</u>				
Accounting/audit	11,000	11,000	10,950	50
Advertising	175,339	129,250	84,655	44,595
Auto	11,600	7,000	4,305	2,695
Collection	2,750	2,750	-	2,750
Community support	3,500	1,000	-	1,000
Debt service	129,463	125,557	131,113	(5,556)
Dues and subscriptions	7,100	6,000	6,683	(683)
FAM tours	2,000	500	-	500
Grants	247,900	166,474	149,694	16,780
Hospitality and tourism	4,750	1,500	1,467	33
Miscellaneous	-	-	31,211	(31,211)
Office supplies	4,400	4,400	1,746	2,654
Operating expenses	42,200	42,200	37,640	4,560
Personnel	256,011	210,000	214,250	(4,250)
Postage	1,000	1,000	440	560
Promotional fees	5,000	3,000	1,238	1,762
Research	6,000	4,000	2,670	1,330
Staff training	4,750	1,500	1,804	(304)
Telephone and utilities	25,350	23,900	15,929	7,971
Travel-air	4,000	1,000	607	393
Travel-lodging	6,500	3,000	394	2,606
Travel-meals	2,000	500	100	400
Total expenditures	<u>952,613</u>	<u>745,531</u>	<u>696,896</u>	<u>48,635</u>

The accompanying notes are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
<u>Excess (deficiency) of revenues over expenditures</u>	-	-	(121,692)	(121,692)
<u>Other financing sources:</u>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>
<u>Excess of revenues and other sources over expenditures</u>	-	-	(1,692)	(1,692)
<u>Fund balance at beginning of year</u>	<u>-</u>	<u>-</u>	<u>934,494</u>	<u>-</u>
<u>Fund balance at end of year</u>	<u>-</u>	<u>-</u>	<u>932,802</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2020

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is open to a public hearing on the proposed budget, and then after all actions necessary to finalize and implement the budget, the budget is adopted by the Board of Directors. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year, is adopted prior to the beginning of each new fiscal year and was not amended during the current fiscal period.

Unexpended budget balances lapse at year end. The Bureau's Board of Directors has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board and amendments to the budget follow the same procedures and process as the original budget.

The Bureau follows these above procedures in establishing the budgetary data which is reflected in the accompanying financial statements.

OTHER REPORTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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June 30, 2021

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards

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, business-type activities, and major fund information of the Ruston-Lincoln Convention and Visitors Bureau as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements, and have issued our report thereon dated June 30, 2021.

Internal Control over Financial Reporting

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

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

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

HMV

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2020

We have audited the financial statements of the Ruston-Lincoln Convention and Tourist Bureau as of and for the year ended December 31, 2020 and have issued our report thereon dated June 30, 2021. 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. Our audit of the financial statements as of December 31, 2020 resulted in an unmodified opinion.

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance related to the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau was disclosed during the audit.
4. Ruston-Lincoln Convention and Visitors Bureau was not subject to a Federal Single Audit for the year ended December 31, 2020.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2020-01: Internal Control(s) over Cash and Cash Equivalents:

As a result of our audit test-work related to the bank reconciliation process the following instance of non-compliance was noted:

- The monthly bank account reconciliations did not agree to the corresponding account(s) in the general ledger. Policies and procedures to address the finding noted above should be implemented. Employees involved in the reconciliation process should review the procedures and processes related to the reconciliations.

Management's Corrective Action Plan for Current Year Findings:

2020-01: The entity has agreed to and will implement policies and procedures to ensure bank reconciliations are reconciled with and agreed to the corresponding general ledger accounts and will provide a review of the procedures and process related to the same.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

Not applicable

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2020

No findings in prior year.

SUPPLEMENTARY INFORMATION

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH
LOUISIANA REVISED STATUTE 24:513(A)(3) (ACT 706 OF 2014)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head: Ms. Amanda Q. Carrier

Salary	63,175
Benefits-insurance-health	7,502
Benefits-life, accidental death and dismemberment,and dental	438
Automobile allowance	1,100
Mileage reimbursement	371
Travel, meals, and lodging	-
Registration fees, seminars, and meetings	235
401(k) retirement plan match	5,915