

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

Annual Financial Report  
As of and for the  
Year Ended June 30, 2019

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana  
Annual Financial Report  
As of and for the Year Ended June 30, 2019**

**Table of Contents**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1-3
<b>Management's Discussion and Analysis</b>	4-8
<b>Financial Statements</b>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Fund Type - General Fund	11
Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund Type - General Fund	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Change in Fund Balance to the Statement of Activities	13
Notes to Financial Statements	14-23
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule	24
<b>Supplementary Information</b>	
Schedule of Expenditures - General Fund	25
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	26
<b>Special Report of Certified Public Accountants</b>	
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 <i>Government Auditing Standards</i>	27-28
<b>Schedule of Findings and Responses</b>	29-31
<b>Reports by Management</b>	
Schedule of Prior Findings and Resolution Matters	32
Management's Corrective Action Plan for Current Year Findings	33
<b>Statewide Agreed-Upon Procedures (R.S. 24:513)</b>	34-50

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the River Parishes Convention, Tourist, & Visitors Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 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.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the River Parishes Convention, Tourist, & Visitors Commission as of June 30, 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 Management's Discussion and Analysis on pages 4 through 8 and the Budgetary Comparison Schedule on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

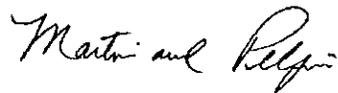
#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the River Parishes Convention, Tourist, & Visitors Commission's basic financial statements. The Schedule of Expenditures – General Fund on page 25 and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 26 are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Houma, Louisiana  
December 23, 2019

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**River Parishes Convention, Tourist,  
& Visitors Commission**  
**State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2019

As management of the River Parishes Convention, Tourist, & Visitors Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2019.

**Financial Highlights**

- River Parishes Convention, Tourist, & Visitors Commission's assets exceeded its liabilities by \$1,144,714 (net position) as of June 30, 2019.
- Expenses exceeded revenues by \$32,046 during the year.
- The River Parishes Convention, Tourist, & Visitors Commission's received and disbursed Parish taxes totaling \$501,646 and State appropriation funding of \$201,547.

**Overview of the Financial Statements**

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

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

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

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2019

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

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

**Basic Financial Analysis**

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the Commission, assets exceeded liabilities by \$1,144,714 at the close of June 30, 2019. The largest portion of the Commission's total assets is cash and investments (91%).

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

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and investments	\$ 1,087,818	\$ 1,080,902
Other current assets	65,324	125,119
Capital assets	93,751	85,157
Accumulated depreciation	(52,099)	(44,249)
	<b>1,194,794</b>	<b>1,246,929</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	12,031	10,454
Due to other government	19,521	41,187
Compensated absences payable	18,528	18,528
	<b>50,080</b>	<b>70,169</b>
<b>NET POSITION</b>		
Net investment in capital assets	41,652	40,908
Unrestricted	1,103,062	1,135,852
	<b>\$ 1,144,714</b>	<b>\$ 1,176,760</b>

Total assets decreased by \$52,135, and total liabilities decreased by \$20,089.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2019

**Basic Financial Analysis (Cont.)**

During the year, the Commission's net position decreased by \$32,046. The elements of the decrease are as follows:

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

	For the Year Ended June 30,	
	2019	2018
<b>REVENUES</b>		
Parish taxes	\$ 501,646	\$ 456,821
State appropriation	201,547	218,220
Other	60,606	60,835
<b>TOTAL REVENUES</b>	763,799	735,876
<b>EXPENDITURES</b>		
Other services and charges	608,347	650,333
Personnel services	266,948	219,872
Other	80,589	54,693
<b>TOTAL EXPENDITURES</b>	955,884	924,898
<b>OTHER INCOME</b>		
Deepwater Horizon settlement	102,869	200,000
Interest earned	21,019	20,621
Other income	-	375
Unrealized appreciation on investments	36,151	-
<b>TOTAL OTHER INCOME</b>	160,039	220,996
<b>CHANGE IN NET POSITION</b>	\$ (32,046)	\$ 31,974

As indicated above, net position decreased by \$32,046. The decrease in change in net position from the prior year is primarily due to the changes in other income items.

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

The General Fund includes revenue and expenditures necessary to the operation of the Commission such as personnel, benefits, and operation and maintenance of facilities. The General Fund reflected \$763,799 in total revenues, including \$501,646 of parish taxes. Total current expenditures were \$956,628. Fund balance decreased by \$32,790 for the year.

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

Management's Discussion and Analysis  
June 30, 2019

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

The Commission's annual budget is adopted on a modified accrual basis of accounting excluding certain noncash items, such as accrued earnings of compensated absences, and depreciation. Budgets are to be amended when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures exceed budgeted expenditures by five percent or more. The original budget for the year ended June 30, 2019 was amended once, reflecting actual revenues and expenditures, as well as projected revenues and expenditures to year-end.

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

Originally budgeted revenues	\$ 761,000
Increases were provided for:	
A decrease in Parish taxes	21,646
An increase in State appropriation	547
An increase in membership revenues	194
An increase in other revenues	140,451
Final budgeted revenues	\$ 923,838
Originally budgeted expenditures	\$ 870,200
Increases (decreases) were provided for:	
An increase in other services and charges	73,547
A decrease in personnel services	(10,952)
An increase in supplies and materials	17,986
An increase in repairs and maintenance	(2,747)
An increase in capital outlay	8,594
Final budgeted expenditures	\$ 956,628

The Commission's actual revenues exceeded the originally budgeted revenues by \$162,838, a favorable variance of 21.40%. The Commission's actual expenditures exceeded originally budgeted expenditures by \$86,428, an unfavorable variance of 9.93%. The Commission adopted an amendment to the budget, which resulted in no variance between actual and budgeted amounts.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Management's Discussion and Analysis  
June 30, 2019

**Capital Assets**

Capital assets include Scenic Byways signage and promotional video of \$59,029 and computers, computer equipment, and office furniture of \$34,722. Accumulated depreciation as of June 30, 2019 is \$52,099 resulting in an ending book balance of \$41,652.

Depreciation expense of \$7,850 was recorded for the year. More detailed information about the capital assets is presented in the notes to the financial statements.

**Long-Term Obligations**

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

**Contacting Financial Management**

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

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

**FINANCIAL STATEMENTS**

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana  
Statement of Net Position  
June 30, 2019**

	<b>Government Activities</b>
<b>ASSETS</b>	
Cash	\$ 237,509
Investments	850,309
Taxes receivable	64,118
Prepaid expenses	<u>1,206</u>
Total current assets	1,153,142
Capital assets	93,751
Accumulated depreciation	<u>(52,099)</u>
<b>TOTAL ASSETS</b>	<u>1,194,794</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	12,031
Due to other government	19,521
Compensated absences payable	<u>18,528</u>
<b>TOTAL LIABILITIES</b>	<u>50,080</u>
<b>NET POSITION</b>	
Net investment in capital assets	41,652
Unrestricted	<u>1,103,062</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,144,714</u></u>

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana  
Statement of Activities  
For the Year Ended June 30, 2019**

	<b>Government Activities</b>
<b>REVENUES AND OTHER SOURCES</b>	
<b>REVENUES</b>	
Parish taxes	\$ 501,646
State appropriation	201,547
	703,193
<b>OTHER SOURCES</b>	
Membership	60,194
Other	412
	60,606
<b>TOTAL REVENUES AND OTHER SOURCES</b>	763,799
<b>EXPENDITURES</b>	
Other services and charges	608,347
Personnel services	266,948
Supplies and materials	58,486
Repairs and maintenance	14,253
Depreciation	7,850
	955,884
<b>OTHER INCOME</b>	
Deepwater Horizon settlement	102,869
Interest earned	21,019
Unrealized appreciation on investments	36,151
	160,039
<b>CHANGE IN NET POSITION</b>	(32,046)
<b>NET POSITION</b>	
Beginning of year	1,176,760
End of year	\$ 1,144,714

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana  
Balance Sheet  
Governmental Fund Type -  
General Fund  
June 30, 2019**

**ASSETS**

Cash	\$ 237,509
Investments	850,309
Taxes receivable	64,118
Prepaid expenses	<u>1,206</u>

**TOTAL ASSETS** \$ 1,153,142

**LIABILITIES**

Accounts payable and accrued expenses	\$ 12,031
Due to other government	19,521
Compensated absences payable	<u>18,528</u>

**TOTAL LIABILITIES** 50,080

**FUND BALANCE**

Nonspendable	1,206
Unassigned	<u>1,101,856</u>

**TOTAL FUND BALANCE** 1,103,062

**TOTAL LIABILITIES AND FUND BALANCE** \$ 1,153,142

See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Statement of Revenues, Expenditures,  
And Change in Fund Balance -  
Governmental Fund Type -  
General Fund  
For the Year Ended June 30, 2019

**REVENUES AND OTHER SOURCES**

**REVENUES**

Parish taxes	\$ 501,646
State appropriation	201,547
	703,193

**OTHER SOURCES**

Membership	60,194
Other	412
	60,606

<b>TOTAL REVENUES AND OTHER SOURCES</b>	763,799
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**EXPENDITURES**

Economic developmental assistance:

Other services and charges	608,347
Personnel services	266,948
Supplies and materials	58,486
Repairs and maintenance	14,253
	948,034

Capital outlay	8,594
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<b>TOTAL EXPENDITURES</b>	956,628
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**OTHER INCOME**

Deepwater Horizon settlement	102,869
Interest earned	21,019
Unrealized appreciation on investments	36,151
	160,039

<b>TOTAL OTHER INCOME</b>	160,039
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<b>CHANGE IN FUND BALANCE</b>	(32,790)
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**FUND BALANCE**

Beginning of year	1,135,852
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End of year	\$ 1,103,062
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See accompanying notes.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2019

Total fund balance - total governmental funds	\$ 1,103,062
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets of \$93,751, net of accumulated depreciation of \$52,099 are not financial resources and, therefore, are not reported in the funds.

41,652

Net position of governmental activities

\$ 1,144,714

Reconciliation of the Governmental Fund Statement of Revenues,  
Expenditures, and Change in Fund Balance to the  
Statement of Activities  
For the Year Ended June 30, 2019

Change in fund balance - governmental fund	\$ (32,790)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Depreciation expense

(7,850)

Capital outlay expense

8,594

Change in net position of governmental activities

\$ (32,046)

See accompanying notes.

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

Notes to Financial Statements  
For the Year Ended June 30, 2019

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

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

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

**A. REPORTING ENTITY**

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

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

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2019

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

**B. METHOD OF ACCOUNTING**

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

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

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

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

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

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

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2019

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

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

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

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

**C. FUND TYPES**

The Commission reports the following fund types:

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

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

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

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

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

Notes to Financial Statements  
For the Year Ended June 30, 2019

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

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

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

**E. ENCUMBRANCES**

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

**F. OPERATING BUDGETARY DATA**

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

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

**G. CASH AND CASH EQUIVALENTS**

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

**H. BAD DEBTS**

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2019

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

I. INVESTMENTS

Under state law, the Commission may invest in United States bonds, treasury notes, certificates, and commercial paper. As of June 30, 2019, the Commission holds investments as follows:

	<u>Market Value</u>
Certificates of Deposit	\$ 850,309

J. CAPITAL ASSETS

Capital assets are presented on the Statement of Net Position.

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

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

K. ESTIMATES

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

L. New GASB Statement

Statement No. 87, "Leases", increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

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

Notes to Financial Statements  
For the Year Ended June 30, 2019

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Bank Deposits:**

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

The year-end balance of deposits is as follows:

	<u>Bank Balance</u>	<u>Reported Amount</u>
Cash and cash equivalents	\$ 328,156	\$ 237,509
Certificates of deposit	850,309	850,309
Totals	<u>\$ 1,178,465</u>	<u>\$ 1,087,818</u>

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

At June 30, 2019, \$63,675 of the Commission's deposits exceeded FDIC coverage and were therefore exposed to credit risk. The deposits were uninsured and were not adequately collateralized in accordance with state law.

**Investments:**

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

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2019

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

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

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

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

Reported amount of deposits	\$ 1,087,818
Reported amount of investments	<u>-</u>
Total	<u>\$ 1,087,818</u>
Cash	\$ 237,509
Investments	<u>850,309</u>
Total	<u>\$ 1,087,818</u>

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance July 01, 2018	Additions	Retirements	Balance June 30, 2019
Scenic Byways signage/video	\$ 59,029	\$ -	\$ -	\$ 59,029
Office furniture and equipment	26,128	8,594	-	34,722
	<u>85,157</u>	<u>8,594</u>	<u>-</u>	<u>93,751</u>
Less accumulated depreciation	(44,249)	(7,850)		(52,099)
Totals	<u>\$ 40,908</u>	<u>\$ 744</u>	<u>\$ -</u>	<u>\$ 41,652</u>

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

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2019

**NOTE 4 – COMPENSATED ABSENCES**

Employees of the Commission are granted from 12 to 21 days of vacation leave each year, depending on their length of service and position. Upon separation of employment, employees are compensated for accumulated vacation leave at the employee's current rate of pay. Employees of the Commission are granted 12 to 18 days of sick leave each year; however, only the Executive Director is compensated for accumulated sick leave upon separation of employment. No employee is eligible for any vacation or sick time before his or her first three months of continuous employment. As of June 30, 2019, employees have accumulated \$18,528 of employee leave benefits.

**NOTE 5 – RETIREMENT PLAN**

All full-time permanent employees who work at least 28 hours a week shall become members on the date of employment in the Parochial Employees' Retirement System of Louisiana (PERSA). The Parochial Employees' Retirement System is a public defined benefit pension plan which provides retirement allowances and other benefits, operating pursuant to LSA-R.S. 11:1901 through 2025. The retirement system has the powers and privileges of a corporation. Pertinent information relative to the plan follows:

The PERSA provides retirement benefits as well as disability and survivor benefits. Seven years of service credit is required to be eligible for a normal retirement benefit at age 65 if the member was an active member of the plan on December 31, 2006. For employees hired January 1, 2007 and later, vesting occurs with seven years of service credit; however, these members must attain age 67 before becoming eligible for normal retirement. Eligibility to actually begin receiving benefits is a function of fulfilling the eligibility provisions of age and service.

***Funding Policy***

The system is funded primarily by employer and employee contributions which are expressed as percentages of payroll. The amount of employee contributions is 9.5% of compensation. Employer contributions are actuarially determined every fiscal year according to statutory process. The actual net direct employer contribution rate for 2018 was 11.5%.

Because the River Parishes Convention, Tourist, & Visitors Commission's personnel are employees of the St. James Parish Government, the River Parishes Convention, Tourist, & Visitors proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods is included in the financial statements of the St. James Parish Government.

**NOTE 6 – COMPENSATION OF BOARD MEMBERS**

Members of the Commission's Board serve without compensation.

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

Notes to Financial Statements  
For the Year Ended June 30, 2019

**NOTE 7 – POST-EMPLOYMENT BENEFITS**

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

**NOTE 8 – RISK MANAGEMENT**

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

**NOTE 10 – COMMITMENTS**

Membership Agreement

The Commission entered into an agreement with an unrelated organization whereby that organization would pay the Commission \$5,000 per month in order to be entitled to all of the benefits and services provided by the Commission to other plantation houses. This agreement automatically renews each year on July 29<sup>th</sup> if not terminated by the organization or by the Commission within 90 days of the agreement's expiration date.

For the year ended June 30, 2019, the Commission earned \$60,000 of membership fees related to this agreement.

Advertising Agreement

The Commission retains an unrelated advertising agency to plan, create, produce, and purchase media on the Commission's behalf. The Agency is compensated at the standard agency commission of 15% on all gross media placements and 20% on all outside purchases such as illustrations, photography, camera work, dubs, and printing. Professional services such as account service, broadcast supervision, creative concept, illustration, copywriting, layout/design, print production, and strategic planning are compensated at \$95 an hour. Public relations, search engine management, interactive database, design/development, interactive programming, interactive graphic design, HTML, and interactive project management are compensated at \$125 an hour. The Agency is also reimbursed out-of-pocket expenses. A nominal supply charge of up to \$25 for art materials and archive media may be charged on various creative jobs. In the event of termination, written notice by either party is required. For the year ended June 30, 2019, the Commission expended \$230,130 related to this agreement.

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Notes to Financial Statements  
For the Year Ended June 30, 2019

**NOTE 11 – OPERATING LEASE**

On September 5, 2018, the Commission entered into a three year lease agreement with an unrelated party for the right to use office space to conduct its operations in LaPlace, Louisiana. Monthly payments of \$3,000 are due. The total rent expense incurred related to this agreement for the year ended June 30, 2019 is \$30,000. Extension of the lease is to be agreed upon by both parties at the end of the initial term set forth in the agreement. Minimum annual payments required are:

<u>June 30,</u>	
2020	\$ 36,000
2021	36,000
2022	<u>6,000</u>
	<u>\$ 78,000</u>

**NOTE 12 – CONTINGENCIES**

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

**NOTE 13 – SUBSEQUENT EVENT**

Subsequent events were evaluated through December 23, 2019, which is the date the financial statements were available to be issued, and it was determined that no events occurred which require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Budgetary Comparison Schedule  
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Revised Budget Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Parish taxes	\$ 480,000	\$ 501,646	\$ 501,646	\$ -
State appropriation	201,000	201,547	201,547	-
Membership	60,000	60,194	60,194	-
Other	20,000	160,451	160,451	-
<b>TOTAL REVENUES</b>	<u>761,000</u>	<u>923,838</u>	<u>923,838</u>	<u>-</u>
<b>EXPENDITURES</b>				
Other services and charges	534,800	608,347	608,347	-
Personnel services	277,900	266,948	266,948	-
Supplies and materials	40,500	58,486	58,486	-
Repairs and maintenance	17,000	14,253	14,253	-
Capital outlay	-	8,594	8,594	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 870,200</u>	<u>\$ 956,628</u>	<u>\$ 956,628</u>	<u>\$ -</u>

See Independent Auditor's Report.

**SUPPLEMENTARY INFORMATION**

**River Parishes Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Expenditures - General Fund  
Year Ended June 30, 2019

**Other Services and Charges**

Advertising	\$ 230,710
Professional fees	74,938
Travel, entertainment, and meals	71,171
Trade show registration	35,574
Familiarization tours	35,457
Dues	27,816
Sponsorships	23,263
Lease	21,000
Printing and production	19,997
Training and development seminar	17,313
Film	13,129
Legal fees	6,406
Other	5,584
Rental of copy machine	5,473
General insurance	5,300
Telephone	4,771
Public relations	4,568
Mileage	3,352
Trade show - shipping and handling	2,525
Total other services and charges	608,347

**Personnel Services**

Salaries and payroll taxes	211,550
Employee benefits	55,398
Total personal services	266,948

**Supplies and Materials**

Office supplies and expenses	32,168
Promotional items	24,269
Postage	1,638
Uniforms	411
Total supplies and materials	58,486

**Repairs and Maintenance**

14,253

**Capital Outlay**

8,594

**TOTAL EXPENDITURES**

\$ 956,628

See Independent Auditor's Report.

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

Schedule of Compensation, Benefits, and Other  
Payments to the Executive Director  
Year Ended June 30, 2019

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 86,162
Travel	21,879
Benefits - retirement	11,668
Benefits - insurance	6,133
Mileage reimbursements	730
Reimbursements	503
Travel-meals	4,106
Cell-phone reimbursements	1,200
Meals	631
Training and development	3,863
	<u>\$ 136,875</u>

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

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities and each major fund of River Parishes Convention, Tourist, & Visitors Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 23, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

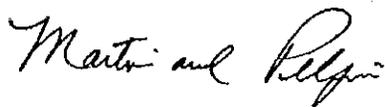
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings and Responses as items 2019-001 and 2019-002.

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of management, Board of Commissioners, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana  
December 23, 2019

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Findings and Responses  
As of and for the Year Ended June 30, 2019

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

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

**Section II – Financial Statement Findings**

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

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

Criteria: State law requires that deposits of all political subdivisions be fully collateralized at all times.

Effect of Condition: The Commission was not in compliance with state law as related to deposits.

Cause of Condition: During the year ended June 30, 2019, deposits at times exceeded FDIC coverage and securities were not pledged.

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

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Findings and Responses  
As of and for the Year Ended June 30, 2019

2019-002 – Payment Made Without Contractual Relationship

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

Criteria: The Commission made a \$20,254.98 payment to a payee for which it had no contractual relationship.

Effect of Condition: The Commission is delinquent in fulfilling the terms of a valid contract that was executed as the result of a Request for Proposal process.

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

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Findings and Responses  
As of and for the Year Ended June 30, 2019

**Section III – Internal Control Findings**

This section is not applicable.

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

This section is not applicable.

**River Parish Convention, Tourist,  
& Visitors Commission  
State of Louisiana**  
Schedule of Prior Findings and Resolution Matters  
As of and for the Year Ended June 30, 2019

Note: All prior findings relate to the June 30, 2018 audit engagement.

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

**Improper Payment of Wages**

Condition: Five instances were noted where employee compensation was not processed through the payroll system and, as such, was not subject to applicable state and federal tax withholdings.

Recommendation: We recommend that all compensation paid be included on the affected employees' payroll checks, and subsequently on the annual Forms W-2.

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

Status: Resolved.

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

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

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

Management's Corrective Action Plan for Current Year Findings  
As of and for the Year Ended June 30, 2019

The contact person for all corrective action noted below is Mr. Buddy Boe, Executive Director.

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

**Under Collateralization of Cash Deposits**

Condition: The Commission's cash deposits were under collateralized at one of its financial institutions at times during the year ended June 30, 2019.

Recommendation: Management should adopt procedures where deposits and related collateral are frequently monitored to ensure deposits are fully collateralized at all times.

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

**Payment Made Without Contractual Relationship**

Condition: The Commission made a \$20,254.98 payment to a payee for which it had no contractual relationship.

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

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

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

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**STATEWIDE AGREED-UPON PROCEDURES**

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and  
Pellegrin**

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

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

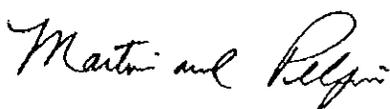
We have performed the procedures enumerated below, which were agreed to by the management of River Parishes Convention, Tourist, & Visitors Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Commission's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are described on pages 35-50.

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 Louisiana Legislative Auditor as a public document.



Houma, Louisiana  
December 23, 2019

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

The required procedures and our findings are as follows:

**Written Policies and Procedures**

1. Obtain and inspect the Commission's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and inspected the written policy for budgeting and found it to contain the elements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy for purchasing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements listed above. Determined that the completeness of all collections was performed by the Director of Communications or the Director of Sales and Business Development of the Commission.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Performance: Determined that the procedures under #1e could be excluded as the Commission's staff are employees of St. James Parish and would, therefore, follow the payroll/personnel policy of St. James Parish.

- 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

Performance: Inquired management of its written policies related to contracting.  
Exceptions: Although management has a written policy for contracting, it does not mention the types of services requiring written contracts, legal review, the approval process for contracts over \$2,500 or for periods longer than twelve months, or the monitoring process.

Management's response: Management will consider adding these elements to the policy for contracting.

- 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

Performance: Obtained and read the written policy for credit cards and found it contained all requirements listed above, except as noted below.

Exceptions: Management's policy on credit cards does not include specific transactions to fall under allowable business uses, except for travel expenses in the travel policy. The credit card policy only mentions that the cards are to be used for "official business" of the Commission. Also, any non-approved expense charged on a company credit card must be reimbursed by the employee.

Management's response: Management will consider adding allowable business uses to the written credit card policy.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- 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

Performance: Obtained and read the ethics policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- j) Debt service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: Determined that this policy is not applicable as the Commission has no debt service.

- 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.

Performance: Obtained and read management's description of the disaster recovery/business continuity policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Board of 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:

- 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.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

Performance: Obtained and read the written minutes of board meetings. Determined the frequency of the board minutes.

Exceptions: Determined that meetings were not held in July 2018, October 2018, March 2019, and April 2019.

Management's response: Management will consider amending its policy to require meetings on a bi-monthly basis. Until then, board meetings will be held every month.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, as well as monthly financial statements.

Performance: Inspected the meeting minutes and budget-to-actual comparisons for the General Fund.

Exceptions: There were no exceptions noted in the months where meetings were held.

Management's response: Not applicable.

- c) 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.

Performance: Determined that the Commission did not have a negative ending unrestricted fund balance in the prior year audit report.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**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 four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- 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;
- 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.

Performance: Determined that the procedures under #3 could be excluded as the Commission did not have any exceptions in the Bank Reconciliations category in Year 1 and were thereby exempt in Year 2.

**Collections**

- 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 five deposit sites (or all deposit sites if less than five).

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Determined that there are no cash collections. As such, there are no cash drawers/registers to be shared by employees.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- 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 to the deposit.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits. Determined that there was a proper segregation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers. Determined that there was a proper segregation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers. Determined that there was a proper segregation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the procedures under #6 could be excluded as the Commission's staff are employees of St. James Parish. St. James Parish covers these leased employees with a bond.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

7. Randomly select two deposit dates for each of the entity's bank accounts. Obtain supporting documentation for each of the deposits (maximum of ten deposits) and:

a) Observe that receipts are sequentially pre-numbered.

Performance: Determined that sequentially pre-numbered receipts are not required for the type of deposits that are received at the Commission.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips.

Exceptions: One of the deposit slips was missing along with its supporting documentation.

Management's response: Management will ensure that copies of all deposit slips are retained and include proper supporting documentation.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.

Exceptions: One of the deposit slips was missing.

Management's response: Management will ensure that copies of all deposit slips are retained.

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 ten miles from the collection location or the deposit is less than \$100).

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

Exceptions: One of the deposits could not be tested for this as it was missing its supporting documentation.

Management's response: Management will ensure that all supporting documentation is kept and that deposits are made in a timely manner.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

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

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Non-Payroll Disbursements (excluding 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 five locations (or all locations if less than five).

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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, and observe that job duties are properly segregated such that:

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- 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.

Performance: Inspected policy and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- 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.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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 five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Determined that the five random disbursements matched their respective original invoices.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- b) Observe that the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

**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.

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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.

Performance: Observed written approvals of credit card transactions. Management reviews all transactions and then traces each transaction to the back-up that is provided by the person incurring charge.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Traced selected credit card statements to determine if any finance charges or late fees were applied to balances.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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. 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).

Performance: Observed whether randomly selected credit card transactions were supported by the items listed above.

Exceptions: Twelve transactions did not have written documentation of the business/public purpose.

Management's response: Management will ensure that only credit card purchases supported by an original, properly documented receipt will be paid by the Commission.

**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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- 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](http://www.gsa.gov)).

Performance: Determined if the one randomly selected reimbursement using per diems agreed with the appropriate governmental rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Determined if the randomly selected travel reimbursements using actual costs were supported by an original itemized receipt that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 (procedure #1h).

Performance: Determined if the randomly selected travel reimbursements were supported by documentation of the business/public purpose and other documentation required by written policy.

Exceptions: One transaction did not have documentation of the business/public purpose.

Management's response: Management will ensure that only travel reimbursements supported by proper documentation will be paid by the Commission.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Determined that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

### **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. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter. Randomly selected five contracts to determine if they complied with the requirements below.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Determined that the contracts tested were not subject to the Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Performance: Inspected board meeting minutes to determine if the board approved the contracts.

Exceptions: One of the five contracts was not discussed in the board minutes.

Management's response: The board will discuss and approve all contracts before they are signed.

- c) If the contract was amended, observe that the original contract terms provided for such an amendment.

Performance: Determined that none of the five contracts were amended during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Randomly select one payment from the fiscal period for each of the five 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.

Performance: Inspected one invoice and payment from each of the five contracts to determine if the invoice and related payment complied with the terms of each respective contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**River Parishes Convention, Tourist,  
& Visitors Commission**  
State of Louisiana  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

**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 five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Determined that the procedures under #16 could be excluded as the Commission utilizes leased employees from St. James Parish.

17. Randomly select one pay period during the fiscal period. For the five 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.
  - 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.

Performance: It was determined that the procedures under #17 could be excluded as the Commission utilizes leased employees from St. James Parish. As such, St. James Parish is responsible for this documentation.

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/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Performance: Determined that the procedures under #18 could be excluded as the Commission utilizes leased employees from St. James Parish. The two leased employees that were terminated during the year would receive termination payments from St. James Parish, if applicable.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Determined that some of the procedures under #19 could be excluded as the Commission utilizes leased employees from St. James Parish. Payroll taxes, retirement contributions, and workers' compensation premiums were paid to St. James Parish. St. James Parish was required to make these payments by deadline dates. Determined whether health insurance premiums and associated forms have been filed by the required deadlines.

Exceptions: No exceptions noted.

Management's response: Not applicable.

**Ethics**

20. Obtain ethics documentation for five randomly selected employees/officials from management, and:
- 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 Commission's ethics policy during the fiscal period.

Performance: Determined that the procedures under #20 could be excluded as the Commission did not have any exceptions in the Ethics category in Year 1 and were thereby exempt in Year 2.

**Debt Service**

This section is not applicable. The Commission has no debt service.

**Other**

21. 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.

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

State of Louisiana

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

Performance: Inquired of management of any misappropriation of public funds or assets and determined, if any, it was reported to the Legislative Auditor and district attorney.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

22. 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.

Performance: Observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.