

VISIT KENNER, INC.

FINANCIAL STATEMENTS

December 31, 2018



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WEGMANN DAZET & COMPANY

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Visit Kenner, Inc.
Kenner, Louisiana

We have reviewed the accompanying statement of financial position of Visit Kenner, Inc. (a nonprofit Corporation) as of December 31, 2018, and the related statements of activities, functional expenses and cash flows from the period of inception (August 6, 2018) to December 31, 2018. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Corporation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer and schedule of current year findings are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

July 15, 2019

Wegmann Dazet & Co

VISIT KENNER INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2018

	2018
ASSETS	
Current assets	
Accounts receivable	\$ 9,000
Prepaid expenses	<u>954</u>
Total current assets	9,954
Total assets	<u><u>\$ 9,954</u></u>
LIABILITIES	
Current liabilities	
Cash overdraft	\$ 1,316
Accounts payable	<u>99</u>
Total liabilities	<u>1,415</u>
NET ASSETS	
Net assets	
Without donor restrictions	<u>8,539</u>
Total net assets	<u>8,539</u>
Total liabilities and net assets	<u><u>\$ 9,954</u></u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

VISIT KENNER INC.
STATEMENT OF ACTIVITIES

For the Period from Inception (August 6, 2018) to December 31, 2018

	<u>Without Donor Restrictions</u>	<u>Total</u>
Revenues		
Operational	\$ 235,774	\$ 235,774
Other income	<u>6</u>	<u>6</u>
Total revenue	<u>235,780</u>	<u>235,780</u>
Expenses		
Program services	218,894	218,894
Supporting services		
General and administrative	<u>8,347</u>	<u>8,347</u>
Total expenses	<u>227,241</u>	<u>227,241</u>
Change in net assets	8,539	8,539
Net assets		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u><u>\$ 8,539</u></u>	<u><u>\$ 8,539</u></u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

VISIT KENNER INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Period from Inception (August 6, 2018) to December 31, 2018

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Total</u>
Luncheons	\$ 376	\$ -	\$ 376
Freedom Fest	186,950	-	186,950
Booth events	436	-	436
Salaries	20,334	5,083	25,417
Payroll taxes and benefits	7,734	1,933	9,667
Paychex fees	590	147	737
Conferences	608	-	608
Insurance	148	228	376
Office supplies	761	955	1,716
Promotions	959	-	959
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 218,894</u>	<u>\$ 8,347</u>	<u>\$ 227,241</u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

VISIT KENNER INC.
STATEMENT OF CASH FLOWS

For the Period from Inception (August 6, 2018) to December 31, 2018

	2018
Cash flows provided by operating activities:	
Change in net assets	\$ 8,539
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable	(9,000)
Prepaid expenses	(954)
Increase (decrease) in operating liabilities:	
Accounts payable	99
Net cash used by operating activities	<u>(1,316)</u>
Net decrease	(1,316)
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ (1,316)</u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

VISIT KENNER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Period from Inception (August 6, 2018) to December 31, 2018

1) Nature of activities

The purpose of the Corporation is to provide for the encouragement, solicitation, promotion, procurement and servicing of sporting events, conventions, conferences, meetings, seminars and other events; to develop tourism through the attraction of visitors and group tours to Kenner and to provide education regarding the importance of the convention and visitor industry to the local economy; affect cooperation between businesses and industries servicing visitors, conventions and other meetings; receive and disburse funds derived from the Hotel Occupancy Tax imposed by local governments in accordance with the contractual or other arrangements with such governments; and receive and disburse private funds for the Corporation.

2) Summary of significant accounting policies

(a) Financial statement presentation

The Corporation's policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred and accounting principles generally accepted in the United States of America.

Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – without donor restrictions and with donor restrictions based on the existence and nature of donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. Support that is limited by donor imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the Corporation pursuant to such stipulations is reported as an increase in net assets with donor restrictions.

(b) Income taxes

The Corporation has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal taxes unless the Corporation has unrelated trade or business income.

The Corporation adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*. Management of the Corporation believes it has no material uncertain tax positions, and accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Corporation is not subject to U. S. federal and state examinations by tax authorities beyond three years from the filing of those returns.

(c) Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash and cash equivalents

For purposes of the statement of cash flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

See Independent Accountants' Review Report.

VISIT KENNER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Period from Inception (August 6, 2018) to December 31, 2018

2) Summary of significant accounting policies (continued)

(e) Accounts receivable

Accounts are considered overdue if uncollected within ninety days of the original invoice. The Corporation writes off uncollectible accounts as they are identified. No allowance for uncollectible accounts has been provided, as management has evaluated the accounts and believes they are all collectible.

(f) Fundraising

All expenses associate with the fundraising are expensed as incurred.

(g) Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

(h) Donated services

Many individuals volunteer their time and perform a variety of tasks that assist the Corporation with carrying out its mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, Not-For-Profit Entities.

(i) Donated assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions over the useful life of the donated asset. The Corporation reclassifies net assets with donor restrictions to net assets without donor restrictions over such useful life.

3) Liquidity and availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their used, within one year of the statement of financial position date, comprise the following:

Accounts receivable	\$ 9,000
	<u>\$ 9,000</u>

See Independent Accountants’ Review Report.

VISIT KENNER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Period from Inception (August 6, 2018) to December 31, 2018

4) Concentrations of credit risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Corporation may, at times, have deposits in excess of the FDIC insured limits. However, at December 31, 2018 the Corporation had no uninsured cash balances. The Corporation has not experienced any losses in such accounts. The Corporation has no policy requiring collateral or other security to support its deposits.

5) Financial assistance

The Corporation receives all of its support from the City of Kenner through the Cooperative Endeavor Agreements.

6) Audit requirement

The bylaws of the Corporation require an audit to be submitted to the Board of Directors no later than 120 days after the close of the fiscal year by an independent auditor. Management is currently in the process of seeking a waiver for this requirement.

7) New accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases." This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2019. The Association is currently assessing the impact of these pronouncements on its financial statements.

8) Subsequent events

Management has evaluated subsequent events through the date of the review report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

VISIT KENNER INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEADS

For the Period from Inception (August 6, 2018) to December 31, 2018

	Carolyn Barrett Executive Director	
Salary	\$	27,083
Benefits - insurance		3,200
Benefits - phone allowance		625
Car allowance		1,500
Reimbursements		1,870
Registration fees		708
Housing		286
Special meals		102
Total compensation	\$	<u>35,374</u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

VISIT KENNER INC.
SCHEDULE OF FINDINGS

For the Period of Inception (August 6, 2018) to December 31, 2018

Late Submission

CONDITION: The Organization's accountants report was not completed and submitted to the Louisiana Legislative Auditor within six months of the Organization's fiscal year end.

CRITERIA: In accordance with the Louisiana Governmental Audit Guide, the review report is due to the Louisiana Legislative Auditor six months after fiscal year end.

CAUSE: The condition results from a failure to comply with the Louisiana Governmental Audit Guide.

EFFECT: The Organization is not in compliance with the Louisiana Governmental Audit Guide.

PLANNED CORRECTIVE ACTION:

The Organization will establish procedures to ensure that future reports are completed and submitted to the Louisiana Legislative Auditor within the reporting periods established under the Louisiana Governmental Audit Guide.

VISIT KENNER, INC.

STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2018



WEGMANN DAZET & COMPANY

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Board of Directors of Visit Kenner, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Visit Kenner, Inc. and the Louisiana Legislative Auditor, on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations.

The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The Agency provided us with the following list of expenditures made for local government grant awards received during the fiscal year ended 2018:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
City of Kenner	2018		\$235,774.38
Total Expenditures			

The Agency represented that they received no federal or state grant awards during the fiscal year ended December 31, 2018.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

We performed the procedures noted above and noted no exceptions

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All of the disbursements were coded to the correct fund and general ledger account.

Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

The Agency's policies and procedures state that the executive director approves all disbursements, with subsequent approval by the full board and the City of Kenner. Documentation supporting each of the selected disbursements included the signature of the executive director.

5. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Obtained Cooperative Endeavor Agreement between City of Kenner and the agency in which funding is defined and purpose is outlined. The disbursements comply with the agreement.

6. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

The selected disbursements come from one program, and the Agency is required to submit monthly expenditure reports and support to the City of Kenner.

Open Meetings

7. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

Management represented that the Agency is not required to follow open meeting laws.

Budget

8. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Obtained Cooperative Endeavor Agreement between City of Kenner and the agency in which funding is defined and purpose is outlined. The Agency is given \$9,000 per month to use towards the promotion of Kenner as well as general and administrative expenses. Any additional funding requires a Proposal for Funding to be submitted to the City of Kenner with a budget or invoices for reimbursement.

State Audit Law

9. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was not submitted to the Legislative Auditor before the statutory due date of June 30, 2019.

10. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Agency's management represented that the Agency did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

11. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Not applicable

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Agency's compliance with the foregoing matters. 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 the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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.

July 15, 2019



ATTACHMENT:
SIGNED LOUISIANA ATTESTATION QUESTIONNAIRE

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-Public Agencies)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana quasi-public agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

June 21, 2019 (Date Transmitted)

Wegmann Dazet & Company
111 Veteran Blvd Suite 800
Metairie, LA 70005

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Not Applicable

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "[Open Meeting FAQs](#)," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No

Not Applicable

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

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We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

Not Applicable

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

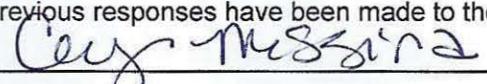
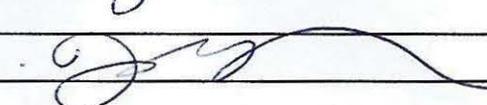
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

	Secretary	<u>6/20/19</u>	Date
_____	Treasurer	_____	Date
	President	<u>6/20/19</u>	Date