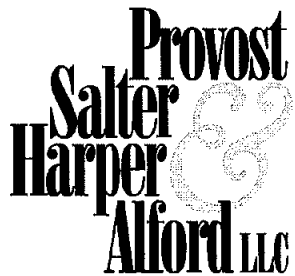


**WEST BATON ROUGE CONVENTION &
VISTORS BUREAU
PORT ALLEN, LOUISIANA
FINANCIAL REPORT
December 31, 2017**



8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

WEST BATON ROUGE CONVENTION & VISITORS BUREAU

Table of Contents

December 31, 2017

INDEPENDENT AUDITOR'S REPORT		1
MANAGEMENT'S DISCUSSION AND ANALYSIS		4
FINANCIAL STATEMENTS:		
Statement of Net Position and Governmental Funds Balance Sheet	<i>Statement A</i>	10
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Position	<i>Statement B</i>	11
Notes to Financial Statements		12
REQUIRED SUPPLEMENTARY INFORMATION		
Statement of Revenues, Expenditures and Changes in Net Position Budget and Actual--General Fund	<i>Schedule 1</i>	26
Statement of Revenue, Expenditures and Changes in Net Position Budget and Actual--Special Revenue Fund	<i>Schedule 2</i>	27
OTHER SUPPLEMENTARY INFORMATION		
Schedule of Compensation, Benefits and Other Payments to Agency Head	<i>Schedule 3</i>	29
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		30
Schedule of Findings and Responses	<i>Schedule 4</i>	32
Schedule of Prior Findings	<i>Schedule 5</i>	35



Certified
Public
Accountants

Business
Advisors

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the Board
West Baton Rouge Convention and Visitors Bureau
Port Allen, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The West Baton Rouge Convention and Visitors Bureau's 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 financial position of the West Baton Rouge Convention and Visitors Bureau as of December 31, 2017, and the changes in its 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 and budgetary comparison information on pages 4 through 9 and schedules 1 and 2 respectively, 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 West Baton Rouge Convention and Visitors Bureau's basic financial statements. The schedule of compensation, benefits and other payments to agency head on schedule 3 is presented to comply with the requirements issued by the State of Louisiana, and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was derived from and relates 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 compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2018 on our consideration of the West Baton Rouge Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the West Baton Rouge Convention and Visitors Bureau's internal control over financial reporting and compliance.

PROVOST, SALTER, HARPER & ALFORD, LLC



June 27, 2018
Baton Rouge, Louisiana

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis

The Management's Discussion and Analysis of the West Baton Rouge Convention and Visitors Bureau (the Convention and Visitors Bureau) financial performance presents a narrative overview and analysis of the Convention and Visitors Bureau's financial activities for the year ended December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the additional information contained in the Convention and Visitors Bureau's financial statements, which begins on page 10.

FINANCIAL HIGHLIGHTS

The Convention and Visitors Bureau's total net position increased by \$380,962 or 18.8%.

The operating revenues of the Convention and Visitors Bureau increased \$167,696 or 10.6%.

The operating expenses of the Convention and Visitors Bureau increased \$208,382 or 18.1%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Convention and Visitors Bureau's basic financial statements. The basic financial statements include: (1) government-wide financial statements, and fund financial statements, and (2) notes to the basic financial statements. The Convention and Visitors Bureau also includes in this report additional information to supplement the basic financial statements, such as required supplementary information. Comparative data is presented when available.

Government –wide Financial Statements

The Convention & Visitors Bureau's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Convention & Visitors Bureau's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Convention & Visitors Bureau's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Convention & Visitors Bureau as a whole is improving or deteriorating. Evaluation of the overall health of the Convention & Visitors Bureau would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities and Changes in Net Position which reports how the Convention & Visitors Bureau's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when the Convention & Visitors Bureau receives or pays cash. An important purpose of the design of the statement of activities is to show the financial reliance of the Convention & Visitors Bureau's distinct activities or functions on revenues provided by the Convention & Visitors Bureau's taxpayers.

The government-wide financial statements are presented along with fund financial statements on statements A and B of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Convention & Visitors Bureau uses two funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Convention & Visitors Bureau's general fund and one special revenue funds. All funds are governmental fund types.

The Convention & Visitors Bureau uses only one fund type:

The Governmental funds are reported in the fund financial statements and encompasses the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Convention & Visitors Bureau's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental funds financial statements are presented on statements A and B of this report along with the government-wide financial statements.

Notes to the Basic Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the financial statements.

FINANCIAL ANALYSIS OF THE CONVENTION & VISITORS BUREAU AS A WHOLE

The Convention & Visitors Bureau's net position at fiscal year-end is \$2,411,820. The following table provides a summary of the Convention & Visitors Bureau's net position:

	2017	2016
Current assets	\$ 981,982	\$ 870,920
Capital assets	1,731,549	1,457,012
Total assets	<u>2,713,531</u>	<u>2,327,932</u>
Current liabilities	102,033	39,988
Noncurrent liabilities	199,678	257,086
Total liabilities	<u>301,711</u>	<u>297,074</u>
Net investment in capital assets	1,548,549	1,251,012
Restricted	702,646	594,732
Unrestricted	160,625	185,114
Total net position	<u>\$ 2,411,820</u>	<u>\$ 2,030,858</u>

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

The Convention & Visitors Bureau continues to maintain an extremely high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities at December 31, 2017 is approximately 9.6 to 1.

The Convention & Visitors Bureau reported a positive balance in net position for its governmental activities. Net position increased from 2016 by \$380,962. Note that approximately 64% of the governmental activities net position at December 31, 2017 consist of capital assets. The Convention & Visitors Bureau uses these capital assets to provide services to its citizens and tourists visiting the parish.

The following data is presented on the accrual basis of accounting which means that all costs are presented; however, the purchase of capital assets is not included but depreciation on the capital assets is included.

The following table provided a summary of the Convention & Visitors Bureau's changes in net position:

	2017	2016
Operating revenues	\$ 1,743,768	\$ 1,576,073
Operating expenses	<u>1,362,806</u>	<u>1,154,425</u>
Excess (deficiency) of revenues over expenses	380,962	421,648
Non-operating revenues (expenses)	<u>-</u>	<u>2,020</u>
Change in net position	<u>\$ 380,962</u>	<u>\$ 423,668</u>

Governmental Revenue

The Convention & Visitors Bureau is heavily reliant on hotel-motel tax and the state sales tax rebate to support its operations. Hotel-motel taxes and state sales tax rebate provided 76.2% in 2017 and 74.7% in 2016 of the Convention & Visitors Bureau's total revenues. Because of the Convention & Visitors Bureau's healthy financial position, we have been able to earn interest income of \$3,455 in 2017 and \$1,151 in 2016 to support our activities. Also, note that in 2017 charges for services covered only 17.3% of governmental operating expenses and only 23.4% in 2016. This means that the Convention & Visitors Bureau's taxpayers and the Convention & Visitors Bureau's other general revenues fund a significant portion of the Convention & Visitors Bureau's activities. As a result, the general economy and local businesses have a major impact on the Convention & Visitors Bureau's revenue streams.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

Change in Net Position

The Bureau's ending net position is \$2,411,820, an increase of \$380,962 over the prior year. This increase is the result of the events and programs described within the analysis of the Convention & Visitors Bureau's activities described above. Of total net position, at December 31, 2017 \$160,625 (\$185,114 for 2016) was unrestricted indicating availability for continuing Parish Convention & Visitors Bureau service requirements.

Governmental Functional Expenses

Salaries and related expenses comprised 34.7% in 2017 and 39.8% in 2016 of total expenses. Operating services, materials and supplies made up 59.2% in 2017 and 52.3% in 2016 the total expenses.

Financial Analysis of the Convention & Visitors Bureau's Governmental Funds

The General Fund is the Convention & Visitors Bureau's operating fund and along with the Special Revenue Funds are the sources of day-to-day service delivery. As discussed, the General and Special Revenue Funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. Remember the data presented in the fund financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and no depreciation on these capital assets is reported as an expenditure in the same year.

Budgetary Highlight

At year-end, the Convention & Visitors Bureau realized just over 102.4% of our final budget revenue and total expenditures were 108.9% of budgeted amounts.

CAPITAL ASSETS AND DEBTS

Capital Assets

The Convention and Visitors Bureau's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2017 was \$1,731,549 compared to \$1,457,012 at December 31, 2016. In 2017 depreciation expense was \$76,985 and \$351,522 was expended to purchase additional assets.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

See Note 3 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities	
	2017	2016
Depreciable assets	\$ 1,337,802	\$ 987,817
Less accumulated Depreciation	(440,309)	(364,861)
Land	<u>834,056</u>	<u>834,056</u>
Book value-depreciable assets	<u>\$ 1,731,549</u>	<u>\$ 1,457,012</u>

Long-term Debt

The Convention and Visitors Bureau may issue general obligation debt to meet its capital needs. During the current year the Convention and Visitors Bureau retired \$23,000 of bonds that were issued to fund renovation of the convention facilities. See note 4 to the financial statements for a discussion and analysis of long-term debt.

CONTACTING THE CONVENTION AND VISITORS BUREAU'S MANAGEMENT

This financial report is designed to provide a general overview of the Convention and Visitors Bureau's finances, comply with finance-related laws and regulations, and to demonstrate the Convention and Visitors Bureau's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the West Baton Rouge Convention and Visitors Bureau, 2750 N. Westport Drive, Port Allen, LA 70767.

WEST BATON ROUGE CONVENTION & VISITORS BUREAU

*Statement of Net Position and
Governmental Funds Balance Sheet*

December 31, 2017

	General Fund	Enterprise Fund	Total	Adjustments	Statement of Position
ASSETS					
Cash and cash equivalents	\$ 58,182	\$ 500,582	\$ 558,764	\$ -	\$ 558,764
Accounts receivable	7,555	150,438	157,993	-	157,993
Investments - LAMP	94,224	125,084	219,308	-	219,308
Hotel-Motel tax receivable	43,808	-	43,808	-	43,808
Prepaid expenses	2,109	-	2,109	-	2,109
Interfund receivables	5,487	5,123	10,610	(10,610)	-
Capital assets, net	-	-	-	1,731,549	1,731,549
Total Assets	211,365	781,227	992,592	1,720,939	2,713,531
LIABILITIES					
Accounts payable and accrued expenses	4,939	73,094	78,033	-	78,033
Interfund payables	5,123	5,487	10,610	(10,610)	-
Long-term liabilities					
Due within one year	-	-	-	24,000	24,000
Due after one year	-	-	-	159,000	159,000
Compensated Absences	-	-	-	40,678	40,678
Total Liabilities	10,062	78,581	88,643	213,068	301,711
FUND BALANCE/NET POSITION					
Fund Balance:					
Restricted					
Purpose of grantors	-	150,000	150,000	(150,000)	
Tourist promotion	-	552,646	552,646	(552,646)	
Unassigned	201,303	-	201,303	(201,303)	
Total fund balances	\$ 201,303	\$ 702,646	\$ 903,949		
Total liabilities and fund balances					
Net Position:					
Invested in capital assets net of related debt				1,548,549	1,548,549
Restricted - Enterprise Fund				702,646	702,646
Unrestricted				160,625	160,625
Total Net Position					\$ 2,411,820

**WEST BATON ROUGE CONVENTION & VISITORS
BUREAU**
*Statement of Activities and Governmental Fund Revenues,
Expenditures and Changes in Fund Balance/Net Position*
Year Ended December 31, 2017

	General Fund	Enterprise Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
General government					
Advertising and marketing	\$ 29,717	\$ 148,065	\$ 177,782	\$ -	\$ 177,782
Bank charges	70	-	70	-	70
Catering expenses	121,062	-	121,062	-	121,062
Depreciation	-	-	-	76,985	76,985
Maintenance, repairs and security	83,521	18,808	102,329	-	102,329
Miscellaneous	500	-	500	-	500
Office, supplies and postage	43,628	281,218	324,846	-	324,846
Professional fees	22,118	-	22,118	-	22,118
Insurance	15,195	-	15,195	-	15,195
Salaries, wages and related expenses	506,273	-	506,273	(33,408)	472,865
Utilities & telephone	42,809	-	42,809	-	42,809
Capital outlays	-	351,522	351,522	(351,522)	-
Debt service					
Principle	-	23,000	23,000	(23,000)	-
Interest	-	6,245	6,245	-	6,245
Total Expenditures/Expenses	864,893	828,858	1,693,751	(330,945)	1,362,806
Revenues					
Program Revenues					
Conference center	176,482	-	176,482	-	176,482
Special events	4,994	54,030	59,024	-	59,024
Expenditures/Expenses Net of Program Revenues	(683,417)	(774,828)	(1,458,245)	330,945	(1,127,300)
General Revenue					
Hotel-Motel tax	622,148	-	622,148	-	622,148
From the State:					
Sales tax rebate	-	706,142	706,142	-	706,142
Interest income	1,342	2,113	3,455	-	3,455
Grants and other income	2,030	174,487	176,517	-	176,517
Total General Revenues	625,520	882,742	1,508,262	-	1,508,262
Excess (Deficiency) of Revenues over Expenditures	(57,897)	107,914	50,017	330,945	380,962
Total Fund Balance/Net Position, Beginning	259,200	594,732	853,932	-	2,030,858
Total Fund Balance/Net Position, Ending	\$ 201,303	\$ 702,646	\$ 903,949	\$ 330,945	\$ 2,411,820

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements

December 31, 2017

INTRODUCTION

The West Baton Rouge Convention & Visitors Bureau was established May 12, 1977 as the West Baton Rouge Tourist Commission for the purpose of developing and carrying out programs designed to promote tourism in the area of West Baton Rouge Parish as provided for by Louisiana Revised Statutes 33:4574, et seq. The Commission's name was changed to the West Baton Rouge Convention & Visitors Bureau in 2007.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. The principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Reporting Entity. GASB Codification Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the West Baton Rouge Convention & Visitors Bureau includes all funds, account groups, et cetera, that are within the oversight responsibility of the Convention & Visitors Bureau. Based on the criteria set forth in GASB Codification Section 2100, the Convention & Visitors Bureau is a component unit of the West Baton Rouge Council because the Bureau is fiscally dependent on the Parish Council. The accompanying financial statements present information only as to the transactions and the activities of the Convention and Visitors Bureau.

Date of Management's Review. Management has evaluated subsequent events through June 27, 2018, the date on which financial statements were available to be issued.

Fund Accounting. The accounts of the West Baton Rouge Convention & Visitors Bureau are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

Governmental Funds:

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

Special Revenue Fund - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose other than debt services or capital projects. The Bureau accounts for the State Sales Tax Rebate it receives in its Special Revenue Funds (See Note 2).

Basis of Accounting. The Statement of Net Position (statement A) and Statement of Activities (statement B) display information about the Convention & Visitors Bureau as a whole. These statements include all the financial activities of the Convention & Visitors Bureau. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

The Convention and Visitors Bureau uses the following practices in recording revenues and expenses:

Program Revenues. Program revenues included in the Statement of activities (statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Convention & Visitors Bureau's general revenues.

Fund Equity:

Equity Classifications.

Government-Wide Financial Statements.

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Consists of net position with constraints placed on the use either by:

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

1. External groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
 2. Law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements (FFS):

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

The Convention and Visitors Bureau adopted GASB Statement 54 (GASB Codification Section 1300, Fund Accounting) in the year ended December 31, 2013. As such, fund balances of the governmental fund are classified as follows:

Non-spendable. Amount that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted. Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed. Amounts that can be used only for specific purposes determined by a formal decision of the Convention and Visitors Bureau Board of Governors. The Board of Governors is the highest level of decision-making authority for the Visitors and Convention Bureau.

Assigned. Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned. All other spendable amounts.

The Board of Governors is the highest level of decision making authority for the West Baton Rouge Convention and Visitors Bureau. The Council would have to approve a resolution to approve or change any previously approved commitment of fund balance. The Board of Governors is also authorized to approve assigned fund balances. It is the Convention and Visitors Bureau's policy to spend restricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the Convention and Visitors Bureau's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

The West Baton Rouge Convention and Visitors Bureau does not have any policy regarding minimum fund balance amounts. The Board of Governors has authorized the executive director of West Baton Rouge Convention and Visitors Bureau to make fund balance assignments in accordance with GASB Statement 54.

The amounts reflected in the Governmental Fund Statements (statements A and B) 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 of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of the current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Convention & Visitors Bureau's operations.

The amounts reflected in the Governmental Fund Statements (statements A and B) use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue 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. Expenditures are recorded when related fund liability is incurred and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Transfers. Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

Budgets and Budgetary Accounting. The Convention & Visitors Bureau followed these procedures in establishing the budget reflected in these financial statements:

1. The Convention & Visitors Bureau Executive Director and its Conference Center Coordinator prepare a proposed budget and submit it to the treasurer. After examination by the treasurer, the budget is submitted to the Convention & Visitors Bureau's Board of Governors for approval. After approval by the Convention & Visitors Bureau, the budget is submitted to the West Baton Rouge Parish Council. The Parish Council incorporates the Convention & Visitors Bureau Budget into the Parish Council Budget. The Convention & Visitors Bureau Budget is submitted to the Parish Council to allow enough time for the formal budget process followed by the Council to be completed. The Parish Council complies with the State Budget Law.
2. Budgetary amendments involving the transfer of funds from one program or function to another require the approval of the Convention & Visitors Bureau.
3. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Investments. Cash includes amounts in demand deposits as well as short term certificates with maturity dates within 90 days of the date acquired by the government. These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2017, the Board has \$557,424 in deposits (collected bank balances). The deposits are secured from risk by the federal deposit insurance and pledged securities.

Investments. The \$219,308 in investments at December 31, 2017 are invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. LAMP is rated AAAM by Standard & Poor's. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances

Risk Management. The Convention & Visitors Bureau is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Bureau purchases commercial insurance policies at levels which management believes is adequate to protect the Bureau. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Short Term Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

Prepaid Items. Payments made to vendors for services that will benefit periods beyond December 31 are recorded as prepaid items in both government-wide and fund financial statements.

Long Term Debt. Long Term Debt obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long Term Debt for governmental funds is not reported as a liability in the fund financial statements. Bond issue cost is reported as expense in the year of the debt issuance. The debt proceeds are reported as other financing sources, and the payment of principle and interest are reported as expenditures, in the fund statements.

Compensated Absences. Full-time, permanent employees of the Bureau earn vacation leave and sick leave at various rates depending on the number of years of service. The Bureau's policy allows employees to accumulate unused sick leave up to 180 days and unused vacation leave up to 5 days. An employee is compensated for up to 5 days of unused vacation leave at the employee's hourly rate of pay at the time of termination. Compensatory time is calculated at one and one-half hours for each hour of overtime earned. Upon an employee's retirement, sick leave, not to exceed 30 days, and vacation leave not to exceed 5 days, and compensatory time shall be paid as severance pay. The liability for these compensated absences is recorded as long term debt in the government-wide and proprietary financial statements. However, any matured compensated absences existing at year-end which are payable to currently terminating employees are reported in the governmental funds as wages and benefits payable and on the government-wide and proprietary financial statements as the current portion of compensated absences.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

Deferred Outflows of Resources and Deferred Inflows of Resources. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

Current Year Adoption of New Accounting Standards. There were no new standards issued by the GASB that were required to be adopted by the Bureau in 2017.

Capital Assets. Capital assets consist of equipment, vehicles, buildings and building improvements and are capitalized at historical costs. These assets, net of accumulated depreciation, are included on the Statement of Net Position. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

The useful lives are as follows:

Building	40 years
Building improvements	20 years
Furniture, fixtures & equipment	5-10 years
Vehicles	7 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

2. REVENUE

Hotel – Motel Tax. The Convention & Visitors Bureau under the provision of Louisiana Revised Statutes Section 33:4574.1-A levies a four percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the commission. The proceeds from this tax are accounted for in the Bureau's General Fund.

State Sales Tax Rebate. Under the provisions of Louisiana Revised Statutes Section 47:332.12, the West Baton Rouge Parish Council is entitled to receive a portion of the state sales tax imposed on hotel occupancy within West Baton Rouge Parish. The money is to be used exclusively for the planning, development or capital improvements of tourism sites in West Baton Rouge Parish. The Parish Council has designated the West Baton Rouge Convention & Visitors Bureau to receive and expend these funds on behalf of the Parish Council. The proceeds from this source are accounted for in the Bureau's Special Revenue Funds. The West Baton Rouge Parish Council collects these funds.

During 2017, the Convention & Visitors Bureau recognized income of \$706,142 from the state sales tax rebate. The Parish Council collected and recognized as income all other amounts due to the parish for the state sales tax rebate.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 2017 is as follows:

	Beginning of Year	Additions	Reductions	End of Year
Land	\$ 834,056	\$ -	\$ -	\$ 834,056
Building & improvements	733,290	319,213	-	1,052,503
Christmas display	1,945	-	-	1,945
Office furniture and equipment	185,461	32,309	1,536	216,234
Vehicles	67,121	-	-	67,121
	1,821,873	351,522	1,536	2,171,859
Less accumulated depreciation	364,861	76,985	1,536	440,310
	\$1,457,012	\$ 274,537	\$ -	\$ 1,731,549

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

4. LONG-TERM DEBT

During 2014 the Bureau issued certificates of indebtedness totaling \$250,000. The proceeds were used for repairs and renovations of the convention facilities.

The following is a summary of the Bureau's long-term debt transactions for the year ended December 31, 2017:

Type of Debt	Balance at December 31, 2016	Additions or Bonds Issued	Bonds Redeemed and Other Reductions	Balance at December 31, 2017	Amount due within One Year
<i>Governmental Activities:</i>					
Series 2014	\$ 206,000	\$ -	\$ 23,000	\$ 183,000	\$ 24,000
Compensated absences	74,086	63,532	96,940	40,678	-
Total governmental long-term debt	<u>\$ 280,086</u>	<u>\$ 63,532</u>	<u>\$ 119,940</u>	<u>\$ 223,678</u>	<u>\$ 24,000</u>

Long-term debt payable at December 31, 2017 consisted of the following:

\$250,000 certificates of indebtedness, Series 2014 of the West Baton Rouge Convention & Visitors Bureau, payable annually through December 1, 2024, 3.06% interest	\$ 183,000
---	------------

The annual requirements to amortize the long-term debt payable as of December 31, are as follows:

Year Ending June 30,	Principal	Interest
2018	\$ 24,000	\$ 5,600
2019	25,000	4,865
2020	25,000	4,100
2021	26,000	3,335
2022	27,000	2,540
2023-2024	56,000	2,571
	<u>\$ 183,000</u>	<u>\$ 23,011</u>

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

5. PER DIEM PAYMENTS

There were no per diem payments made during 2017 to board members of the West Baton Rouge Convention & Visitors Bureau.

6. OPERATING LEASES

The Bureau leases office equipment under long term leasing arrangements.

The minimum future lease payments receivable under non-cancelable operating leases are as follows:

2018	\$ 10,170
2019	10,170
2020	6,590
2021	1,580
	<hr/>
	\$ 28,509
	<hr/>

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

7. RECONCILIATIONS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net position

Fund balances - total governmental funds \$ 903,949

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial statement of resources and, therefore, are not reported in the governmental funds

Governmental capital assets	\$ 2,171,859	
Less accumulated depreciation	<u>(440,310)</u>	
		1,731,549

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds

Bonds payable	\$ (183,000)	
Compensated absences	<u>(40,678)</u>	
		<u>(223,678)</u>
Net position of governmental activities		<u><u>\$ 2,411,820</u></u>

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

*Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, Changes in Fund Balances to the Statement of Activities*

Net change in fund balances - total governmental funds \$ 50,017

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

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

Capital outlay	\$ 351,522	
Depreciation expense	<u>(76,985)</u>	
		274,537

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Principal payments	\$ 23,000	
		<u>23,000</u>

Some expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$ 33,408	
		<u>33,408</u>

Change in net position of governmental activities		<u><u>\$ 380,962</u></u>
---	--	--------------------------

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements, continued

December 31, 2017

8. RESTRICTIONS OF FUND BALANCES AND NET POSITION

The Bureau received a grant through the Gulf Tourism and Seafood Promotional Fund which restricted \$150,000 of the fund balance of the Special Revenue Fund to assist the Bureau with promotional advertisement expenses.

Fund balance:	
Tourist promotion	\$ 552,646
Purpose of grantors	<u>150,000</u>
Total restricted	<u>\$ 702,646</u>
Net position	
Tourist promotion	\$ 552,646
Purpose of grantors	<u>150,000</u>
Total restricted - enterprise fund	<u>\$ 702,646</u>

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Required Supplementary Information

December 31, 2017

WEST BATON ROUGE CONVENTION & VISITORS BUREAU**Statement of Revenues, Expenditures and
Changes in Net Position**

Year Ended December 31, 2017

Budget (Legal Basis) and Actual - General Fund

	Budgeted Amounts		Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Budget to GAAP Differences
	Original	Final				Favorable (Unfavorable)
Revenues						
Conference center	\$ 3,000	\$ 5,000	\$ 176,482	\$ (5,056) ²	\$ 171,426	\$ 166,426
Special events	-	-	4,994	-	4,994	4,994
Hotel-Motel tax	750,000	828,000	622,148	-	622,148	(205,852)
Interest income	100	1,060	1,343	-	1,343	283
Grants and other income	100	4,600	2,030	-	2,030	(2,570)
Total revenues	753,200	838,660	806,997	(5,056)	801,941	(36,719)
Expenditures						
General government						
Advertising and marketing	16,000	21,715	29,717	-	29,717	(8,002)
Maintenance, repairs and security	55,000	75,000	83,521	(662) ¹	82,859	(7,859)
Office, supplies and postage	159,500	166,645	165,261	(1,763) ¹	162,995	3,650
Audit and accounting	24,000	23,000	22,118	-	22,118	882
Insurance	18,000	15,000	15,195	-	15,195	(195)
Salaries, wages and related expenses	465,800	488,300	506,273	-	506,273	(17,973)
Utilities & telephone	42,000	42,000	42,809	(140) ¹	42,669	(669)
Capital outlays	-	-	-	-	-	-
Total expenditures	780,300	831,660	864,894	(2,565)	861,826	(30,166)
Excess (Deficiency) of Revenues over Expenditures	\$ (27,100)	\$ 7,000	\$ (57,897)	\$ (2,491)	\$ (59,885)	\$ (66,885)
Total fund balance						
Beginning			259,200			
Ending			\$ 201,303			

Explanation of differences

¹ Expenditures are budgeted on the cash basis - prior year's accounts payable \$16 are added and current year's accounts payable are subtracted \$2,581

² Revenues are budgeted on the cash basis - prior year's accounts receivable \$2,499 are added and current year's accounts receivable are subtracted \$7,555

WEST BATON ROUGE CONVENTION & VISITORS BUREAU

Statement of Revenues, Expenditures and
Changes in Net Position

Year Ended December 31, 2017

Budget (Legal Basis) and Actual - Special Revenue Fund

	Budgeted Amounts		Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final				
Revenues						
Special events	\$ 60,000	\$ 67,000	\$ 54,030	\$ -	\$ 54,030	\$ (12,970)
From the State:						
Sales tax rebate	500,000	677,000	706,142	-	706,142	29,142
Interest income	80	800	2,113	-	2,113	1,313
Grants and other income	20,000	66,100	174,487	(50,088) ³	124,399	58,299
Total revenues	580,080	810,900	936,772	(50,088)	886,684	75,784
Expenditures						
General government						
Advertising and marketing	136,000	147,300	148,065	(36,108) ¹	111,957	35,343
Maintenance, repairs and security	10,000	6,300	18,808	(2,975) ¹	15,833	(9,533)
Office, supplies and postage - Special Events	160,000	183,000	281,218	(19,261) ¹	261,957	(78,957)
Capital outlays	250,000	331,000	351,522	-	351,522	(20,522)
Debt service						
Principle	-	-	23,000	-	23,000	(23,000)
Interest	-	-	6,245	58 ²	6,303	(6,303)
Total expenditures	556,000	667,600	828,858	(58,286)	770,572	(102,972)
Excess (Deficiency) of Revenues over Expenditures	\$ 24,080	\$ 143,300	\$ 107,914	\$ 8,198	\$ 116,112	\$ (27,188)
Total fund balance						
Beginning			594,732			
Ending			<u>\$ 702,646</u>			

Explanation of differences

¹ Expenditures are budgeted on the cash basis - prior year's accounts payable \$14,283 are added and current year's accounts payable are subtracted \$72,627

² Expenditures are budgeted on the cash basis - prior year's interest accrued \$525 are added and current year's interest accrued are subtracted \$467

³ Revenues are budgeted on the cash basis - prior year's accounts receivable \$100,350 are added and current year's accounts receivable are subtracted \$150,438

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Other Supplementary Information

December 31, 2017

WEST BATON ROUGE CONVENTION & VISITORS BUREAU*Schedule of Compensation, Benefits and Other Payments to
Agency Head**Year Ended December 31, 2017***Agency Head Name: Sharon Stam****Purpose**

Salary	\$ 121,560
Benefits - insurance	9,578
Benefits - retirement	5,555
Cell phone	907
Per Diem	2,304
Reimbursements	104
Travel - trade shows	8,813
Special meals	501
Uniforms	138
Membership	74
	<u>\$ 149,534</u>



Certified
Public
Accountants

Business
Advisors

**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***

Chairman and Members of the Board
West Baton Rouge Convention and Visitors Bureau
Port Allen, Louisiana

We have audited, 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, the financial statements of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau (Bureau), a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements, and have issued our report thereon dated June 27, 2018.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and responses*, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 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. We consider the deficiencies described in the accompanying *schedule of findings and responses* to be material weaknesses (2017-001 and 2017-002).

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Baton Rouge Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses (2017-003).

West Baton Rouge Convention & Visitors Bureau's Response to Findings

The West Baton Rouge Convention and Visitors Bureau's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The West Baton Rouge Convention and Visitors Bureau's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

PROVOST, SALTER, HARPER & ALFORD, LLC



June 27, 2018
Baton Rouge, Louisiana

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Schedule of Findings and Responses

December 31, 2017

Section I – Internal Control Findings

Finding 2017-001

Material Weakness in Internal Control Over Financial Reporting-Inadequate Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the entity's assets and ensure accurate financial reporting.

Condition: The entity does not employ enough personnel to achieve an optimum level of segregation of duties.

Context: We observed inadequate segregation of duties by observing the billing and cash payments function during fieldwork, and through interviews of personnel and management. Cash payments and cash receipts represent the cash flow of the entity.

Potential Effect: Errors could occur which could affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause: The size of the entity and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The resolution of this finding is not under the control of the Bureau as it may not be cost effective, however the Board and management should monitor the assignment of duties to insure as much segregation of duties as possible.

View of Responsible Official: It is not cost effective to totally correct this weakness but we do segregate duties as much as possible.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Schedule of Findings and Responses, Continued

December 31, 2017

Finding 2017-002

Material Weakness in Internal Control Over Financial Reporting-Preparation of Financial Statements

Criteria: The reporting entity should be able to prepare financial statements in accordance with GAAP without outside assistance.

Condition: The entity does not employ anyone with sufficient training and knowledge who have the ability to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Context: Management is unable to prepare financial statements without outside assistance.

Potential Effect: Audit adjustments were recorded due to the lack of experience and training by the staff. The audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP.

Cause: The Bureau does not have employees with sufficient expertise and training to prepare financial statements in accordance with GAAP.

Recommendation: The resolution of this finding is not under the control of the Bureau as it may not be cost effective, however the Board and management should periodically evaluate the cost/benefit of hiring personnel with sufficient knowledge and training.

View of Responsible Official: The Bureau's management is aware of this condition and believes hiring an employee with the requisite qualifications would be cost prohibitive. They believe the most cost effective solution is to have their external auditor assist in preparing year-end financial statements in accordance with GAAP.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Schedule of Findings and Responses, Continued

December 31, 2017

Section II – Compliance Findings

Finding 2017-003

Failure to Comply with Local Government Budget Act Regarding Requirement to Amend the Budget If Greater Than 5% Variance in Total Expenditures

Criteria: R.S. 39:1311 requires that the budget of an entity be amended in the event that total expenditures and other uses plus projected expenditures and other uses within a fund are exceeding the total budgeted expenditures and other uses by 5% or more.

Condition: Total expenditures exceeded amended budgeted expenditures by more than 5%.

Context: Management was unable to properly amend budget to cover total actual expenditures which exceeded total amended budgeted expenditures by 5% or more.

Effect: Expenditures could be made in a manner inconsistent with the Board's approval.

Cause: The Bureau had turnover in the accounting department and the new accountant did not have sufficient experience to adequately project expenditures.

Recommendation: The board should ensure that the accounting personnel is provided sufficient training to adequately analyze the projected expenditures and to better advise management and the board on what amendments are needed to comply with the Local Government Budget Act.

View of Responsible Official: The Bureau amended the budget in the November 29, 2017 board meeting, but had underestimated the expenses for the upcoming special event. The Bureau will estimate expenses higher than anticipated in the future and will monitor the amended budget during the month of December.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Schedule of Prior Findings

December 31, 2017

RefNo.	Fiscal Year Finding Initially Occurred	Description of Finding	Status of the Finding	Current Year Finding RefNo.
2016-001	1996	Inadequate segregation of duties	Unresolved	2017-001
2016-002	2012	Lack of qualified personnel to apply GAAP in preparing financial statements	Unresolved	2017-002
2016-003	2016	Lack of reconciliation process for compensated absences.	Resolved	N/A

**INDEPENDENT
ACCOUNTANT'S REPORT
ON THE APPLICATION
OF AGREED-UPON PROCEDURES**

West Baton Rouge Convention and Visitors Bureau

September 30, 2017



8550 United Plaza Boulevard, Suite 680, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075



Certified
Public
Accountants

Business
Advisors

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board and Management
West Baton Rouge Convention and Visitors Bureau

We have performed the procedures enumerated below, which were agreed to by the West Baton Rouge Convention and Visitors Bureau and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period October 1, 2016 through September 30, 2017. The entity'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* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

Procedure 1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable.

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls and checks to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts**, including receiving, recording, and preparing deposits.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings:

The entity does not have written policies and procedures that address how vendors are added to the vendor list, the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, actions to be taken if an ethics violation takes place, a system to monitor possible ethics violations, a requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were reviewed and determined to be adequate for all other financial/business functions.

Board

Procedure 2: Obtain and review board/committee minutes for the period and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Findings:

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- If the budget-to-actual comparisons show that management was deficit spending during the period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the period reflect that the board is monitoring the plan.

Findings:

No exceptions noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the period.

Findings:

No exceptions noted.

Bank Reconciliations

Procedure 3: Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We obtained a listing of 2 bank accounts.

Procedure 4: Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the period and report whether:

- a) Bank reconciliations have been prepared;

Findings:

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.

Findings:

Bank reconciliations did not include evidence that a member of management or a board member had reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the period.

Findings:

Management did not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of September 30, 2017.

Collections

Procedure 5: Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Cash is only collected at the Convention and Visitor's Bureau office in Port Allen.

Procedure 6: Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Findings:

Convention and Visitor's Bureau Policies do not indicate that persons responsible for collecting cash are not responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank statement.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Findings:

The Convention and Visitor's Bureau has a formal process to reconcile cash collections to the general ledger by revenue source, but does not specify whether the person performing the reconciliation is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings:

6 deposits totaling \$266,535 were not made within one day of collection. Collections in these deposits range from 2 to 13 days before deposit.

Procedure 7: Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Findings:

No exceptions noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

Procedure 8: Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained a listing of entity disbursements from management.

Procedure 9: Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

From the population of 517 disbursements, a random sample of 25 cash disbursements totaling \$41,436 was selected for testing.

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Findings:

The Convention and Visitor's Bureau has a policy that does not require purchase orders for purchases under \$1,500 or recurring expenses.

Four of the disbursements selected for testing were not recurring and over the bureau's policy amount of \$1,500 and did not have purchase requisitions.

Four of the disbursements selected for testing were not recurring, but under the bureau's policy amount of \$1,500 and did not have purchase requisitions.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Findings:

We were unable to determine who initiated 8 purchases and therefore could not determine whether they were approved by a person who did not initiate the purchase.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings:

Eight payments for purchases were processed without an approved requisition and/or purchase order, or electronic equivalent.

Procedure 10: Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Findings:

Entity policies do not address whether the person responsible for processing payments is prohibited from adding vendors to the disbursement system.

Procedure 11: Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Findings:

No exceptions noted.

Procedure 12: Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings:

No exceptions noted.

Procedure 13: If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings:

No exceptions noted.

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

Procedure 14: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

We obtained a listing of active credit cards.

Procedure 15: Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

The entity has 17 active credit cards. We selected a random sample of 10 for testing.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Findings:

No exceptions noted.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Findings:

Finance charges were assessed on one statement selected for testing.

Procedure 16: Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).

Findings:

Purchases of \$5 did not have supporting documentation. Purchases of \$37 had inadequate documentation of business/public purpose.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Findings:

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings:

Purchases of \$42 had inadequate documentation.

Travel and Expense Reimbursement

Procedure 17: Obtain from management a listing of all travel and related expense reimbursements, by person, during the period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

We obtained a listing of all travel and related expense reimbursements, by person, during the period.

Procedure 18: Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Findings:

No exceptions noted.

Procedure 19: Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

Expenses for all employees totaled \$4,685. Expenses for the three employees selected totaled \$4,646.

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#17 above) and report each reimbursement that exceeded those rates.

Findings:

No exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Findings:

One \$64 expense did not have an original itemized receipt that identifies precisely what was purchased.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings:

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings:

No exceptions noted.

Contracts

Procedure 20: Obtain a listing of all contracts in effect during the period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

We obtained a listing of all contracts in effect during the period, totaling \$135,162. We selected five contracts, totaling \$133,652, for testing.

Procedure 21: Using the listing above, select the five contract “vendors” that were paid the most money during the period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Findings:

No exceptions noted.

- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Findings:

No contracts were subject to the Louisiana Public Bid Law or Procurement Code, therefore this procedure does not apply.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Findings:

No exceptions noted.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Findings:

No exceptions noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Findings:

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings:

No exceptions noted.

Payroll and Personnel

Procedure 22: Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Findings:

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the period and report whether those changes were approved in writing and in accordance with written policy.

Findings:

No exceptions noted.

Procedure 23: Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the period), and:

We selected the pay period ending July 7, 2017 for testing. We randomly selected 7 employees/officials for testing.

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Findings:

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Findings:

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings:

No exceptions noted.

Procedure 24: Obtain from management a list of those employees/officials that terminated during the period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Findings:

No employees/officials terminated during the period, therefore this procedure does not apply.

Procedure 25: Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings:

No exceptions noted.

Ethics (excluding nonprofits)

Procedure 26: Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Findings:

The entity does not have documentation of ethics training for two employees.

Procedure 27: Inquire of management whether any alleged ethics violations were reported to the entity during the period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings:

No exceptions noted.

Debt Service (excluding nonprofits)

Procedure 28: If debt was issued during the period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Findings:

No debt was issued during the period. Therefore, this procedure was not applicable.

Procedure 29: If the entity had outstanding debt during the period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Findings:

No exceptions noted.

Procedure 30: If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the period. Also, report any millages that continue to be received for debt that has been paid off.

Findings:

The entity did not have tax millages related to debt service. Therefore, this procedure was not applicable.

Other

Procedure 31: Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings:

No exceptions noted.

Procedure 32: Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings:

No exceptions noted.

Procedure 33: If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings:

No exceptions noted.

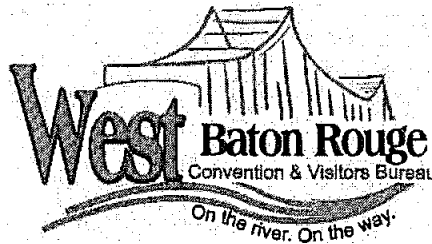
We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures,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

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

PROVOST, SALTER, HARPER & ALFORD, LLC



June 13, 2018



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU RESPONSES TO FINDINGS

Procedure 1, item B – The West Baton Rouge CVB will add a procedure for adding a vendor to the vendor list to the Accounting and financial Policies and Procedures Manual. This was something we were not aware of but will be following the procedure now that we are aware. The Executive Director will request Certificate of Insurance and Information (Application for New Vendors). Then the approved application will be given to the Conference Center Director or Special Events Director to input as a new vendor into QuickBooks. The Accountant will pay all invoices received from new vendor once invoice is approved by Executive Director.

Procedure 1, Item I – Prohibitions as defined in Louisiana Revised Statute 42:1111-1121 are to be followed by the West Baton Rouge CVB employees and Board of Directors. If any employee or member of the board of directors violates any of the ethics laws, they will be reported to the Board of Ethics. Penalties that may be imposed upon a finding of a violation of the laws under the Ethics Board's Jurisdiction could result in Removal, Termination, suspension or reduction of the pay or demotion of a public employee.

Each Employee and member of the WBR CVB Board of Directors shall receive a copy of the Personnel Policy Manual, Accounting and Financial Policies and Procedures Manual and a copy of the Statute 42:1111-1121. All persons receiving the manuals and Statute will be required to sign acknowledging that they have received all the listed documents.

Procedure 4, Item B & C – Bank Reconciliations will be reviewed and approved by the Executive Director. This was not done by previous Director that retired 3/1/2018, new Director has instructed Accounting that bank reconciliation must be reviewed and approved by the Director. Also, Accountant has been instructed that if the reconciliation shows anything outstanding for 3 months it must be checked into to clear it before it is 6 months outstanding.

Procedure 6, Item A & B – The West Baton Rouge CVB will be adding the segregation of duties in the matter of collecting cash to the Accounting and Financial Policies and Procedures Manual. The CVB collects cash only at Special Events (Kite Fest, Oldies Fest & Reflections of the Season). The Accountant collects the Cash by using numbered 2-part tickets for the sales. The Conference Center Director picks up the monies from the office and returns the monies to the office at end of event daily. The tickets are used to purchase only the items the CVB sells. The Executive Director and Special Events Director count the monies the day after event has ended by using the number of the first ticket sold and last

ticket sold. Each ticket is worth a set amount and the number of tickets multiplied by the amount should equal the amount of cash received. The deposit slip is made out then given to the Executive Assistant to bring to the bank. The Conference Center Director then makes the General Journal Entry into QuickBooks. Accountant reconciles the bank statement.

Procedure 6, Item C – Sometimes when checks come in on a Friday we do not deposit till the following week. They do stay in a locked file cabinet until time of deposit. When we need the cash for the festival (change) we will obtain the Wednesday before the event to get the change bags ready. Then start up money and proceeds from sales are deposited back in the bank the following Monday. The day after the event ends.

Procedure 9, Item A, B & C – The Convention and Visitors Bureau has a policy that does not require purchase orders for items under \$1,500 or recurring expenses. The previous Director was not used to doing the Purchase orders for any items before the policy, therefore was an oversight. The new Director will make sure that purchase orders are completed by person making the purchase and submitted to the Executive Director for approval.

Procedure 10, Item A – The person responsible for processing payments is prohibited from adding vendors to the disbursement system. This will be added to the Accounting and Financial Policies and Procedures Manual.

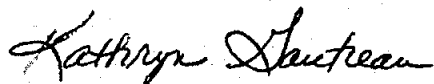
Procedure 15, Item B – The late fee that was assessed on the April 2017 Visa ending in 2597 of \$25.00 was an error made by the Visa Company. Payment was due on 3/26/17 and check was cut on 3/16/17. Tonya called the Visa company and they reversed the charge by giving us credit on the June bill.

Procedure 16, Item A & C – The purchase totaling \$5.00 was for artwork obtained for an ad by a former employee. We tried to get the receipt, but they would not release the account to anyone here since it was under the former employee's name. It was an approved purchase. The \$37.00 charge had a receipt attached to the monthly statement, only because of an oversight the reason for the charge and the persons eating at the restaurant was left off the receipt. The West Baton Rouge CVB does require documentation for receipts and has informed the accountant that it is their duty to check all Visas for supporting documentation.

Procedure 19, Item B – The \$64.00 expense was a combination of miscellaneous tips for the previous Executive Director. Such as valet tips, bellman tips, maid tips when traveling for work.

Procedure 26 – The West Baton Rouge CVB had two employees that did not take the ethics training required by the State in 2017. The first was Lois Webre and it was oversight on her part, she has been with the company for 16 years and has taken every year prior to 2017 and has taken 2018 at the beginning of this year. The other was Gerald Lawson who left us in November. He was hired January 3, 2017 therefore he had not completed an entire year of employment. Had he remained with the CVB he would have taken the ethics training in December 2017.

Responses provided by:

A handwritten signature in cursive script that reads "Kathryn Gautreau".

Kathryn Gautreau, Executive Director