

*Financial Report*

*(Compiled)*

*St. Bernard Parish Tourist Commission*

*December 31, 2017*

*Financial Report*

*(Compiled)*

*St. Bernard Parish Tourist Commission*

*December 31, 2017*

## TABLE OF CONTENTS

### St. Bernard Parish Tourist Commission Arabi, Louisiana

December 31, 2017

	<u>Page Number</u>
<b>Financial Section</b>	
Independent Accountant's Compilation Report	1 - 2
<b>Exhibits</b>	
A - Statement of Net Position	3
B - Statement of Activities	4
C - Notes to Financial Statements	5 - 12
<b>Supplementary Information</b>	
<b>Schedules</b>	
1 - Budgetary Comparison Schedule	13
2 - Schedule of Compensation, Benefits, and Other Payment to Agency Head	14
<b>Special Report of Certified Public Accountants</b>	
Schedule of Findings and Responses	15
<b>Reports by Management</b>	
Schedule of Prior Year Findings and Responses	16
Management's Corrective Action Plan	17

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors,  
St. Bernard Parish Tourist Commission,  
Arabi, Louisiana.

Management is responsible for the accompanying financial statements of the governmental activities of the St. Bernard Parish Tourist Commission (the "Commission"), as of and for the year ended December 31, 2017, and related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The Commission has not adopted the provisions of Governmental Accounting Standards Board Statement No. 34. The effects of this departure from accounting principles generally accepted in the United States of America have not been determined.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 13 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. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

### *Other Supplementary Information*

The accompanying supplementary information, on page 14, is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513 (A)(3), and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, Louisiana,  
May 1, 2018.

**STATEMENT OF NET POSITION****St. Bernard Parish Tourist Commission**

Arabi, Louisiana

December 31, 2017

See Independent Accountant's Compilation Report

**ASSETS**

Cash	\$ 80,306
Capital assets, net of accumulated depreciation	<u>453</u>
Total assets	<u>\$ 80,759</u>

**NET POSITION**

Net position	
Net invested in capital assets	\$ 453
Unrestricted	<u>80,306</u>
Total net position	<u>\$ 80,759</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****St. Bernard Parish Tourist Commission**  
Arabi, Louisiana

For the year ended December 31, 2017

See Independent Accountant's Compilation Report

**Revenues**

## General revenues:

Hotel/motel taxes	\$ 66,426
St. Bernard Parish Port	8,900

75,326

## Other revenues:

Visitor Center sales	628
Interest income	144

772

Total other revenues

Total revenues

76,098**Expenses**

Operations	18,712
Tourism events	32,982
Visitor Center	13,177
Professional services	2,600
Depreciation	286

67,757

Total expenses

**Change in Net Position**

8,341

**Net Position**

Beginning of year	<u>72,418</u>
-------------------	---------------

End of year	<u>\$ 80,759</u>
-------------	------------------

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****St. Bernard Parish Tourist Commission**

Arabi, Louisiana

December 31, 2017

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Organization**

St. Bernard Parish Tourist Commission (the "Commission") was created by Louisiana Revised Statute 33:4574, which authorizes the governing parish in the State of Louisiana to form and create a tourist commission. The Commission shall also be known as the St. Bernard Tourist Commission. Whereby, on July 26, 1988, the St. Bernard Parish Police Jury passed Resolution #RPJ-145-88 to create such a commission.

The domicile of the Commission shall be located at the Visitor Information Center, 409 Aycock Street, Arabi, Louisiana 70032. The mailing address shall be located at P.O. Box 1384, Chalmette, Louisiana 70044.

The objective and purpose of the Commission is to:

- a) Develop and promote St. Bernard Parish as a tourist destination.
- b) Promote St. Bernard Parish's history, culture, museums, parks, art, folk life, recreational and leisure opportunities, natural and scenic resources, attractions, accommodations, and events.
- c) Encourage and coordinate cooperative advertising among other tourism related businesses to increase visibility to St. Bernard Parish.
- d) Increase awareness of St. Bernard Parish's tourism industry through cooperation with local media and participation in community events.
- e) Work with local fairs and festivals, restaurants, marinas, hotels, tour guides, charter fishing companies, and the St. Bernard Civic Auditorium to coordinate tourism opportunities for St. Bernard Parish.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Organization (Continued)**

- f) Promote and oversee the state designated "San Bernardo Scenic Byway," (LA Hwy #46), by applying for grant monies for signage, maps, landscaping, etc. for the purpose of attracting tourists to experience the historical and scenic beauty of the San Bernardo Scenic Byway and St. Bernard Parish.
- g) Include any other activity for the primary purpose of using tourism to generate public revenue.

**Commission's Duties and Responsibilities:**

- a) The Commission shall have the power to accept grants, donations of every type, collect and deposit revenue from hotels, motels, bed & breakfasts, fishing lodges, and any other establishments under the hotel/motel tax, to make capital improvements for the purpose of obtaining Federal funds to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within the jurisdiction. The Commission shall have the authority to spend budgeted money for advertising, promotion, and publication of information. The Commission shall have the authority to spend the hotel/motel tax revenue for tourism interest upon the approval of its commissioners.
- b) Louisiana State bid laws and laws of St. Bernard Parish (the "Parish") shall apply to purchases of the Commission.
- c) The Commission shall have the authority to exercise any and all rights, powers, and authorities granted to it under the laws of the State of Louisiana and the Parish, including, but not limited to Louisiana Revised Statute 33:4574.1.1.

**Governance:**

- a) The Commission shall be governed by a board of seven commissioners to be appointed by the governing authority of the Parish.
- b) Appointments shall be made from lists of nominees submitted to the Commission by private and not-for-profit organizations that have an interest in one or more aspects of the tourist industry.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Organization (Continued)**

**Governance: (Continued)**

- c) The commissioners shall be appointed for terms of three years.
- d) The commissioners so appointed shall elect from among themselves a chairman who shall serve as the chairman for a term of one year. Vacancies among the commissioners shall be filled in the same manner that the original appointments are made. In addition for the chairman, the Commission shall elect from its membership a vice-chairman, secretary, and treasurer.
- e) The Director of Tourism for St. Bernard Parish, or such other person designated by the St. Bernard Parish President, shall serve, without voting rights, as an ex-officio member of the Commission.

**b. Basis of Presentation**

The financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Commission. The presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**c. Measurement Focus and Basis of Accounting**

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

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

*Revenues* - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

Non-exchange transactions, in which the Commission receives value without directly giving value in return, include hotel/motel tax collections, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

*Expenditures* - Expenditures are recognized at the time they are incurred. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred.

*Budget and Budgetary Accounting* - Formal budgetary accounting is employed as a management control device during the year for the general fund.

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations, which are not expended, lapse at year-end.

*Encumbrances* - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Commission.

**d. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Commission adopted a budget. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings of the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Commission.

The budget is adopted on a basis materially consistent with GAAP.

**f. Capital Assets and Depreciation**

Property and equipment are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$5,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Furniture and equipment	4 years
-------------------------	---------

**g. Hotel/Motel Taxes**

Hotel/motel taxes are normally collected and remitted to the St. Bernard Parish Sheriff's Office monthly. The Sheriff's Office delivers a check monthly to the Commission. Hotel/motel taxes are levied on hotels and motels located within the boundaries of St. Bernard Parish. The tax is to be used for the purpose of promoting St. Bernard Parish as a tourist destination. The Commission recognizes hotel/motel taxes when received from the Parish tax collector.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Net Assets**

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

1. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2017 and for the year then ended, the Commission did not have or receive restricted net assets.

**i. Subsequent Events**

The Commission evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 1, 2018, which is the date the financial statements were available to be issued.

**Note 2 - UNINSURED CASH BALANCES**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-2) commercial paper of domestic corporations.

**Note 2 - UNINSURED CASH BALANCES (Continued)**

**Bank Deposits:**

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

The bank balance as of December 31, 2017, is as follows:

	Bank Balance	Reported Amount
Cash	\$ 80,306	\$ 80,306

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of December 31, 2017, the Commission's bank balance of \$80,306 was not in excess of the federal deposit limit.

As of December 31, 2017, cash was adequately collateralized in accordance with state law.

**Note 3 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Additions	Dispositions	Balance December 31, 2017
Capital assets				
being depreciated:				
Furniture and equipment	\$ 2,980	\$ -	\$ -	\$ 2,980
Less accumulated depreciation for:				
Furniture and equipment	(2,241)	(286)	-	(2,527)
Total capital assets, net	\$ 739	\$ (286)	\$ -	\$ 453

**Note 4 - CONCENTRATION**

For the year ended December 31, 2017, the majority of the Commission's revenue was derived from hotel/motel taxes (87.3%).

**SUPPLEMENTARY INFORMATION**



**BUDGETARY COMPARISON SCHEDULE****St. Bernard Parish Tourist Commission**

Arabi, Louisiana

For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
General revenues:				
Hotel/motel taxes	\$ 62,000	\$ 62,000	\$ 66,426	\$ 4,426
St. Bernard port	8,900	8,900	8,900	-
Total general revenues	<u>70,900</u>	<u>70,900</u>	<u>75,326</u>	<u>4,426</u>
Other revenues:				
Visitor Center sales	200	700	-	(700)
Interest income	130	230	628	398
Other revenue	-	-	144	144
Total other revenues	<u>330</u>	<u>930</u>	<u>772</u>	<u>(158)</u>
Total revenues	<u>71,230</u>	<u>71,830</u>	<u>76,098</u>	<u>4,268</u>
<b>Expenditures</b>				
Operations	13,085	15,685	18,712	(3,027)
Tourism events	36,250	34,250	32,982	1,268
Visitor Center	18,200	18,200	13,177	5,023
Professional services	2,800	2,800	2,600	200
Depreciation	-	-	286	(286)
Total expenses	<u>70,335</u>	<u>70,935</u>	<u>67,757</u>	<u>3,178</u>
<b>Change in Net Position</b>	<u>895</u>	<u>895</u>	<u>8,341</u>	<u>\$ 7,446</u>
<b>Net Position</b>				
Beginning of year	<u>72,418</u>	<u>72,418</u>	<u>72,418</u>	
End of year	<u>\$ 73,313</u>	<u>\$ 73,313</u>	<u>\$ 80,759</u>	

**SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENT TO AGENCY HEAD**

**St. Bernard Parish Tourist Commission**  
Arabi, Louisiana

For the year ended December 31, 2017

**Agency Head Name:** Gary Huettmann, Commission Chairperson

**Purpose**

Salary	\$ 0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<b>\$ 0</b>

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **St. Bernard Parish Tourist Commission Arabi, Louisiana**

For the year ended December 31, 2017

#### **Section I - Summary of Independent Accountant's Compilation Report**

a) Financial Statements

A standard compilation report was issued.

Noncompliance material to financial statements noted?     Yes  No

b) Federal Awards

St. Bernard Parish Tourist Commission did not expend Federal awards during the year ended December 31, 2017.

#### **Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

##### **Internal Control Over Financial Reporting**

No financial reporting findings material to the basic financial statements were reported during the compilation of the financial statements for the year ended December 31, 2017.

##### **Compliance and Other Matters**

No compliance and other matters findings material to the basic financial statements were reported during the compilation of the financial statements for the year ended December 31, 2017.

**REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

## **St. Bernard Parish Tourist Commission Arabi, Louisiana**

For the year ended December 31, 2017

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

#### **Internal Control Over Financial Reporting**

No financial reporting findings material to the basic financial statements were reported during the compilation of the financial statements for the year ended December 31, 2016.

#### **Compliance and Other Matters**

##### **16-01 Compliance with State Budget Laws**

**Recommendation** - We recommend that the Commission comply with the State budget laws by amending its budget to ensure that actual revenues do not create an unfavorable variance as compared to budgeted revenues by greater than 5%.

**Management's Corrective Action Plan** - Resolved. The Commission instituted policies to amend its budget accordingly to ensure actual revenues did not create an unfavorable balance as compared to budgeted revenues by greater than 5% in order to comply with Louisiana Revised Statute 39:1311.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**St. Bernard Parish Tourist Commission**  
Arabi, Louisiana

For the year ended December 31, 2017

## **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

### **Internal Control Over Financial Reporting**

No financial reporting findings material to the basic financial statements were reported during the compilation of the financial statements for the year ended December 31, 2017.

### **Compliance and Other Matters**

No compliance and other matters findings material to the basic financial statements were reported during the compilation of the financial statements for the year ended December 31, 2017.