

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU
OF OUACHITA PARISH
WEST MONROE, LOUISIANA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2015

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board Members of the
Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish
West Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Bureau as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12, the Commission has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability and schedule of contributions - retirement plan on pages 4 through 7 and 40 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This 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. 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 information is fairly stated, in all material respects, to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

Johnson, Perry, Roussel & Cuthbert, LLP

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June 29, 2016



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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau) provides an overview of the Bureau's activities for the year ended December 31, 2015. Please read it in conjunction with the Bureau's financial statements.

USING THIS ANNUAL REPORT:

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Bureau as a whole.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES:

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Bureau's net position and changes in it. The Bureau's net position - the difference between assets and liabilities - measures the Bureau's financial position. The increases or decreases in the Bureau's net position are an indicator of whether its financial position is improving or deteriorating.



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

THE BUREAU AS A WHOLE:

Net position December 31, 2015

| | <u>2015</u> | Restated <u>2014</u> | <u>Variance</u> |
|----------------------------------|------------------|-------------------------|------------------|
| Current and Other Assets | 8,514,275 | 7,208,482 | 1,305,793 |
| Capital Assets, Net | 838,038 | 846,830 | (8,792) |
| Deferred Outflows of Resources | 117,527 | 76,458 | 41,069 |
| <u>Total Assets</u> | <u>9,469,840</u> | <u>8,131,770</u> | <u>1,338,070</u> |
| Current and Other Liabilities | 234,118 | 213,747 | 20,371 |
| Noncurrent Liabilities | 10,000 | - | 10,000 |
| <u>Total Liabilities</u> | <u>244,118</u> | <u>213,747</u> | <u>30,371</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 838,038 | 846,830 | (8,792) |
| Unrestricted | 8,387,684 | 7,071,193 | 1,316,491 |
| <u>Total Net Position</u> | <u>9,225,722</u> | <u>7,918,023</u> | <u>1,307,699</u> |

For the year ended December 31, 2015, net position changed as follows:

| | <u>2015</u> | Restated <u>2014</u> | <u>Variance</u> |
|----------------------------|------------------|-------------------------|------------------|
| Beginning Net Position | 7,918,023 | 6,861,588 | 1,056,435 |
| Increase in Net Position | 1,307,699 | 1,056,435 | 251,264 |
| <u>Ending Net Position</u> | <u>9,225,722</u> | <u>7,918,023</u> | <u>1,307,699</u> |

THE BUREAU'S FUNDS:

The following schedule presents a summary of revenues and expenditures for the fiscal year ended December 31, 2015.

| Revenue | 2015 <u>Amount</u> | Percent <u>Of Total</u> | 2014 <u>Amount</u> | <u>Variance</u> |
|---------------------------|-----------------------|----------------------------|-----------------------|-----------------|
| Hotel-Motel Occupancy Tax | 1,730,053 | 51.97 % | 1,617,912 | 112,141 |
| Hotel-Motel Sales Tax | 1,530,659 | 45.98 % | 1,530,061 | 598 |
| Interest Earned | 2,207 | .06 % | 1,953 | 254 |
| Special Events (Net) | 4,958 | .16 % | 1,987 | 2,971 |
| Miscellaneous | 61,043 | 1.83 % | 52,848 | 8,195 |
| <u>Total Revenues</u> | <u>3,328,920</u> | <u>100.00 %</u> | <u>3,204,761</u> | <u>124,159</u> |
| Expenses | | | | |
| Personal Services | 651,279 | | 672,469 | 21,190 |
| Travel | 64,373 | | 71,621 | 7,248 |
| Operating Expenses | 681,721 | | 783,423 | 101,702 |
| Supplies | 7,892 | | 9,918 | 2,026 |
| Professional Services | 124,368 | | 137,637 | 13,269 |
| Other Charges | 438,364 | | 492,521 | 54,157 |
| Interest | - | | - | - |
| Depreciation | 53,224 | | 51,126 | (2,098) |
| <u>Total Expenditures</u> | <u>2,021,221</u> | <u>100.00 %</u> | <u>2,218,715</u> | <u>197,494</u> |

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

NEW ACCOUNTING PRONOUNCEMENT IMPLEMENTED (GASB 68)

In June 2012, the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. The provisions of GASB Statement No. 68 were implemented by the Bureau during the year ending December 31, 2015. The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This resulted in a restatement of previously reported net position as follows:

| | <u>Governmental Activities</u> |
|------------------------------------------------------|------------------------------------|
| January 1, 2015 net position, as previously reported | 7,847,634 |
| Change in accounting principle: | |
| Net effect of recording Net Pension Liability | <u>70,389</u> |
| January 1, 2015 net position, as restated | <u>7,918,023</u> |

In addition, the statement of activities has deferred outflows of resources in the amount of \$117,527 and deferred inflows of resources in the amount of \$10,000 that are related to the implementation of GASB No. 68.

BUDGETARY HIGHLIGHTS:

The Executive Director prepares the annual budget which is based on what is expected to be collected during the fiscal year and is then approved by the Board of Commissioners. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

The Bureau's total revenues in 2015 were more than the final budget by \$67,087. Actual expenditures for the Bureau in 2015 were less than the final budget by \$15,626. This variance reflects a moderate increase in sales tax revenue during the last year and a decrease in operating expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital Assets

At December 31, 2015, the Bureau had \$1,643,702 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table below).

| | <u>2015</u> | <u>2014</u> | <u>Variance</u> |
|-----------------------------------|------------------|------------------|-----------------|
| Building and Improvements | 1,138,068 | 1,138,068 | -0- |
| Furniture, Fixtures and Equipment | 306,943 | 301,918 | 5,025 |
| Vehicles | 58,451 | 58,451 | -0- |
| Improvements | <u>140,240</u> | <u>100,833</u> | <u>39,407</u> |
| <u>Total</u> | <u>1,643,702</u> | <u>1,599,270</u> | <u>44,432</u> |

Additions to Capital Assets during 2015 include a \$5,025 increase in Office Equipment and Furniture for computer equipment and appliances, and a \$39,407 increase in Improvements for the signage, air conditioning and a furnace.

Debt

Accumulated depreciation increased from \$802,440 at December 31, 2014 to \$838,038 at December 31, 2015.

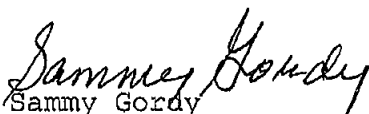
The Bureau had no debt at December 31, 2015.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

The Bureau's revenues are derived mainly from Hotel-Motel Occupancy and Sales Taxes. The Bureau does not anticipate any major increases or decreases in the taxes collected.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Bureau's finances and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish, 601 Constitution Avenue, West Monroe, Louisiana.


Sammy Gordy
Treasurer

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 STATEMENT OF NET POSITION
 DECEMBER 31, 2015

| | <u>Governmental Activities</u> |
|------------------------------------------------|------------------------------------|
| <u>ASSETS</u> | |
| <u>CURRENT ASSETS</u> | |
| Cash | 7,856,581 |
| Accounts Receivable | 624,581 |
| Prepaid Expenses | <u>33,113</u> |
| <u>TOTAL CURRENT ASSETS</u> | <u>8,514,275</u> |
| <u>CAPITAL ASSETS</u> | |
| Non-Depreciable | 50,000 |
| Depreciable | <u>788,038</u> |
| <u>TOTAL CAPITAL ASSETS</u> | <u>838,038</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | |
| Pension Related Deferrals | <u>117,527</u> |
| <u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u> | <u>117,527</u> |
| <u>TOTAL ASSETS</u> | <u>9,469,840</u> |
| <u>LIABILITIES AND NET POSITION</u> | |
| <u>CURRENT LIABILITIES</u> | |
| Accounts Payable | 183,842 |
| Accrued Expenses | 28,452 |
| Net Pension Liability | <u>21,824</u> |
| <u>TOTAL CURRENT LIABILITIES</u> | <u>234,118</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Pension Related Deferrals | <u>10,000</u> |
| <u>TOTAL DEFERRED INFLOWS OF RESOURCES</u> | <u>10,000</u> |
| <u>TOTAL LIABILITIES</u> | <u>244,118</u> |
| <u>NET POSITION</u> | |
| Net Investment in Capital Assets, Unrestricted | 838,038 |
| Unrestricted | <u>8,387,684</u> |
| <u>TOTAL NET POSITION</u> | <u>9,225,722</u> |
| <u>TOTAL LIABILITIES AND NET POSITION</u> | <u>9,469,840</u> |

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2015

| <u>Function/Program</u> <u>Activities</u> | <u>Expenses</u> | <u>Charges for</u> <u>Services</u> | <u>Program Revenues</u> <u>Operating</u> <u>Grants and</u> <u>Contributions</u> | <u>Capital</u> <u>Grants and</u> <u>Contributions</u> | <u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u> |
|------------------------------------------------|------------------|---------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <u>Governmental</u> <u>Activities</u> | | | | | <u>Governmental</u> <u>Activities</u> |
| Government Activities: | | | | | |
| Personal Services | 651,279 | - | - | - | (651,279) |
| Travel | 64,373 | - | - | - | (64,373) |
| Operating Expenses | 681,721 | - | - | - | (681,721) |
| Supplies | 7,892 | - | - | - | (7,892) |
| Professional Services | 124,368 | - | - | - | (124,368) |
| Other Charges | 438,364 | - | - | - | (438,364) |
| Interest on Long-Term Debt | - | - | - | - | - |
| Unallocated Depreciation | 53,224 | - | - | - | (53,224) |
| <u>Total Governmental</u> <u>Activities</u> | <u>2,021,221</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>(2,021,221)</u> |
| General Revenues: | | | | | |
| | | | | | 1,730,053 |
| Hotel-Motel Occupancy Tax | | | | | 1,530,659 |
| Hotel-Motel Sales Tax | | | | | 66,001 |
| Miscellaneous | | | | | 2,207 |
| Interest Earned | | | | | <u>2,207</u> |
| | | | | | <u>3,328,920</u> |
| | | | | | <u>1,307,699</u> |
| | | | | | <u>7,918,023</u> |
| | | | | | <u>9,225,722</u> |

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

FUND FINANCIAL STATEMENTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 BALANCE SHEET-GOVERNMENTAL FUNDS
 DECEMBER 31, 2015

| | <u>General Fund</u> |
|----------------------------------------------------|---------------------|
| <u>ASSETS</u> | |
| Cash | 7,856,581 |
| Receivables (Net of Allowances for Uncollectibles) | 624,581 |
| Prepaid Expenses | <u>33,113</u> |
| <u>TOTAL ASSETS</u> | <u>8,514,275</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | |
| Accounts Payable | 183,842 |
| Accrued and Withhold Payroll Taxes | <u>28,452</u> |
| <u>TOTAL LIABILITIES</u> | <u>212,294</u> |
| <u>FUND BALANCE</u> | |
| Committed Funds | 173,273 |
| Unassigned Funds | 8,095,595 |
| Nonspendable | <u>33,113</u> |
| <u>TOTAL FUND BALANCE</u> | <u>8,301,981</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>8,514,275</u> |

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <u>Total Governmental Fund Balances</u> | 8,301,981 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 838,038 |
| Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds. | (21,824) |
| Pension related deferrals | |
| Outflows | 117,527 |
| Inflows | (10,000) |
| <u>Net Position of Governmental Activities</u> | <u>9,225,722</u> |

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

- 11 -

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

| <u>REVENUES</u> | <u>General Fund</u> |
|---------------------------------------|---------------------|
| Taxes | |
| Occupancy Tax | 1,730,053 |
| Sales Tax | 1,530,659 |
| Other | 61,043 |
| Special Events | 4,958 |
| Interest | 2,207 |
| | 3,328,920 |
| <u>TOTAL REVENUES</u> | <u>3,328,920</u> |
| | |
| <u>EXPENDITURES</u> | |
| Personal Services | |
| Salaries - Regular | 514,610 |
| FICA Taxes | 8,937 |
| Retirement Fund Expense | 71,067 |
| Unemployment Benefits | 201 |
| Other Related Benefits | 71,778 |
| Travel | 48,742 |
| Travel and Convention Solicitation | 11,311 |
| Gasoline and Related Expenses | 4,320 |
| Auto Repairs and Maintenance | |
| Operating Expenses | |
| Advertising | 155,950 |
| Convention Services | 98,068 |
| Research and Development | 25,225 |
| Printing | 22,047 |
| Insurance, Other Than Personal | 27,997 |
| Maintenance of Property and Equipment | 34,562 |
| Rentals and Related Expense | 34,222 |
| Dues and Subscriptions | 24,360 |
| Postage | 9,621 |
| Telephone | 13,150 |
| Other Operating Expenses | 174,266 |
| Utilities | 12,998 |
| Professional Organizations | 49,255 |
| Supplies | |
| Office Supplies | 7,892 |
| Operating Supplies | - |
| Professional Services | |
| Accounting and Auditing | 11,200 |
| Legal and Other Professional Services | 113,168 |

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>General Fund</u> |
|-----------------------------------------------------|----------------------|
| <u>EXPENDITURES (Continued)</u> | |
| Other Charges | |
| Miscellaneous Charges | 2,753 |
| Collection Fees (Statutory Charges) | 4,000 |
| Special Promotions and Community Improvement | 431,611 |
| Loss on Special Events | - |
| Capital Outlays | |
| Furniture, Fixtures and Equipment | 44,432 |
| Vehicles | - |
| Debt Service | |
| Bond Principal Payments | - |
| Interest | - |
| | - |
| <u>TOTAL EXPENDITURES</u> | <u>2,027,743</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</u> | |
| <u>EXPENDITURES</u> | <u>1,301,177</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | |
| None | - |
| | - |
| <u>NET OTHER FINANCING SOURCES (USES)</u> | <u>-0-</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>1,301,177</u> |
| <u>FUND BALANCE - BEGINNING OF YEAR</u> | <u>7,000,804</u> |
| <u>FUND BALANCE - END OF YEAR</u> | <u>8,301,981</u> |

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2015

Net Changes in Total Governmental Fund 1,301,177

Amounts reported for governmental activities in the:

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

| | |
|--------------------------------------|------------|
| Capital assets purchases capitalized | 44,432 |
| Depreciation expense | (53,224) |
| | (8,792) |

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net assets. -

In the statement of activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the amount incurred was less than the amount actually paid:

| | |
|-----------------|---------------|
| Pension expense | <u>15,314</u> |
|-----------------|---------------|

Total Changes in Net Position 1,307,699

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity Information:

The Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau) was formed and created as a tourist commission for the purpose of the promotion of tourism within the Parish of Ouachita by an ordinance of the Police Jury of the Parish of Ouachita in 1976. There are eleven board members appointed by the Ouachita Parish Police Jury. The board members are not compensated or paid a per diem. On June 8, 1995 pursuant to Article VI, Section 19 and 30 of the Constitution of Louisiana, the Bureau was specifically created as a special district and shall from that point on be a political subdivision of the State of Louisiana.

The Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish was a component unit of the Ouachita Parish Police Jury, the governing body of the Parish until June 8, 1995 as noted above. The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the police jury, or any other governmental unit.

The major sources of revenue for the Bureau are from hotel - motel sales taxes collected in Ouachita Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

The Bureau is an entity administered by a Board of Directors (Board) that acts as the authoritative and legislative body of the entity. The Board is comprised of eleven board members. Officers are elected by the Board. Each officer serves a term of one year; there are no term limits for reappointment. No board members receive compensation for serving on the Board, except for the Executive Director.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity Information: (Continued)

The Board of Directors annually appoints the Chairperson of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board, be the chief officer of the Bureau, perform all duties commonly incident to the position of presiding officer of a board or business organization and exercise supervision over the business of the Bureau, its officers and employees.

The Bureau has determined that it has no potential component units that should be included in its financial statements. The Bureau also believes it is not a component unit of any other government.

Government-Wide Financial Statements - The government-wide financial statements display information on all the financial activities of the Bureau. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when they are both measurable and available and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues are considered to be available when they are collectible within the current period, the Bureau considers revenues to be available if they are collected within sixty days of the end of the current fiscal year end.

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Principal revenue sources considered susceptible to accrual are interest on investments and sales taxes. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The Bureau does not use encumbrance accounting. Modifications to the accrual basis of accounting include:

- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.
- Claims, judgments and compensated absences are recorded when the payment is due.

Fund Accounting

The Bureau reports the following fund types:

Governmental Funds

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial
Statement Presentation (Continued)

Governmental Funds (Continued)

upon net income determination. The following is the Governmental Fund of the Bureau:

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

Net Position and Fund Equity

GASB Statement No. 34, *Basic Financial-Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial
Statement Presentation (Continued)

Net Position and Fund Equity (Continued)

- **Net Investment in Capital Assets Component of Net Position** (Continued) attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted Component of Net Position - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial
Statement Presentation (Continued)

Net Position and Fund Equity (Continued)

In the fund statements, governmental fund equity is classified as fund balance. Fund balances of governmental funds are classified as follows:

- **Nonspendable** - These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** - These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed** - These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision making authority for the Bureau.
- **Assigned** - These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned** - These are all other spendable amounts. This also includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned to those purposes.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial
Statement Presentation (Continued)

Net Position and Fund Equity (Continued)

The Bureau's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in governmental funds. General Fixed Assets purchased are recorded at time of purchase. Such assets are capitalized at cost. Gifts or contributions are recorded at fair market value at the time received. Depreciation has been provided on general fixed assets using the straight-line method of depreciation over their estimated useful lives, ranging from five to eight years for furniture and equipment and ten to thirty-nine years for leasehold improvements and buildings.

All capital assets are capitalized at cost and updated for additions and retirements during the year. The Bureau maintains a capitalization threshold of \$1,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Cash and Cash Equivalents

Cash received by the Bureau is mainly deposited in local financial institutions with excess cash invested in short-term investments.

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences

Only permanent full-time employees are entitled to vacation and sick leave. Vacation not taken during a calendar year cannot be carried forward to the following year. Sick leave not taken can be carried forward for one year.

Estimates

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

Budget

The Bureau utilizes the following budgetary practices:

The Executive Director of the Bureau prepares the annual budget, which is based on what is expected to be collected during the fiscal year, and the budget is approved by the Board. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment. All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of annual budget during the year. Appropriations lapse at the end of each year.

Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) and presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. The budget was amended once during the year.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Bureau's pension plan and additions to/deductions from the plan's fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - DEPOSITS AND INVESTMENTS:

At December 31, 2015, the Bureau had cash and cash equivalents totaling \$7,856,581 as follows:

| | |
|--------------|------------------|
| Category 1 | 3,774,722 |
| Category 2 | - |
| Category 3 | <u>4,081,859</u> |
| <u>TOTAL</u> | <u>7,856,581</u> |

Deposits with financial institutions are classified into one of the following three categories:

1. Category 1 - Insured or collateralized, with securities held by the entity or by its agent in the entity's name.
2. Category 2 - Collateralized, with securities held by the pledging financial institution's trust department or agent in the entity's name.
3. Category 3 - Uncollateralized. Includes any bank balance collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.

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WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

These deposits are stated at cost, which approximates market and are secured from risk by federal deposit insurance. At December 31, 2015, the Bureau had \$7,604,049 in the bank that was insured with additional coverage through pledged securities. Time deposits include an investment of \$2,532 in the Louisiana Asset Management Pool (LAMP) and \$119,787 in certificates of deposit with Regions Bank.

LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana (such as parishes, school boards, police juries and sheriffs, among others) to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. LAMP is a cooperative endeavor formed, in part, in reliance upon Opinion No. 92-192 (March 31, 1992) issued by the Attorney General of the State of Louisiana. That opinion provides, in part, that public entities may pool funds for investment purposes.

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Bureau will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Bureau's investment policy requires that all investments be fully collateralized and held by the counterparty's trust department or agent. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Bureau. The Bureau had no investment balances exposed to custodial credit risk at December 31, 2015.

The Bureau manages its exposure to interest rate risk and declines in fair market values by limiting investments to "money market investments", which are defined as creditworthy, highly liquid investments of one year or less. The general use of long-term securities is limited.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - RECEIVABLES:

The following is a summary of receivables at December 31, 2015:

| <u>Class of Receivable</u> | <u>General Fund</u> |
|-------------------------------|---------------------|
| Hotel-Motel Sales Tax Rebate | 369,682 |
| Hotel-Motel Sales Tax Revenue | 253,740 |
| Miscellaneous | <u>1,159</u> |
| <u>TOTAL</u> | <u>624,581</u> |

Management has determined that all receivables are deemed collectible and no allowance for doubtful accounts is necessary. Management reviews receivables monthly for any doubtful receivables.

NOTE 4 - FIXED ASSET ACTIVITY:

Capital asset activity for the year ended December 31, 2015 is as follows:

| | December 31, 2014 <u>Balance</u> | <u>Additions</u> | <u>Disposals</u> | December 31, 2015 <u>Balance</u> |
|---------------------------------------|----------------------------------------|------------------|------------------|----------------------------------------|
| Non-Depreciable Assets: | | | - | |
| Land | 50,000 | - | - | 50,000 |
| Depreciable Assets: | | | - | |
| Building | 1,138,068 | - | - | 1,138,068 |
| Office Equipment and Furniture | 292,916 | 5,025 | - | 297,941 |
| Furniture & Fixtures | 9,002 | - | - | 9,002 |
| Vehicles | 58,451 | - | - | 58,451 |
| Improvements | <u>100,833</u> | <u>39,407</u> | - | <u>140,240</u> |
| Totals at Historical Cost | <u>1,649,270</u> | <u>44,432</u> | <u>-0-</u> | <u>1,693,702</u> |
| Less Accumulated Depreciation For: | | | | |
| Building | 423,128 | 29,181 | - | 452,309 |
| Office Equipment & Furniture | 276,863 | 6,367 | - | 283,230 |
| Furniture & Fixtures | 9,002 | - | - | 9,002 |
| Vehicles | 46,392 | 4,981 | - | 51,373 |
| Improvements | <u>47,055</u> | <u>12,695</u> | - | <u>59,750</u> |
| Total Accumulated Depreciation | <u>802,440</u> | <u>53,224</u> | <u>-0-</u> | <u>855,664</u> |
| <u>CAPITAL ASSETS, NET</u> | <u>846,830</u> | <u>(8,792)</u> | <u>-0-</u> | <u>838,038</u> |

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 - FIXED ASSET ACTIVITY: (Continued)

Depreciation expense for the depreciable capital assets was \$53,224.

NOTE 5 - PENSION PLAN:

Employees of the Bureau are provided retirement through Parochial Employees' Retirement System. All employees are members of Plan A.

A. Parochial Employees' Retirement System (PERS)

Plan Description

Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Benefits Provided

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

Retirement Benefits

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty or more years of creditable service.
2. Age 55 with twenty-five years of creditable service.
3. Age 60 with a minimum of ten years of creditable service.
4. Age 65 with a minimum of seven years of creditable service.

For employees hired prior to January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty years of creditable service.
2. Age 60 with a minimum of ten years of creditable service.
3. Age 65 with a minimum of seven years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However,

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WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Deferred Retirement Option Plan (DROP) Benefits

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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NOTE 5 - PENSION PLAN: (Continued)

the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

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WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Cost-of-Living Increases

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

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WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

Contributions

According to state statute, contributions of all employers are actuarially determined each year. For the year ended December 31, 2015, the actuarially determined contribution rate was 13.07% of member's compensation for Plan A and 8.60% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2014, was 16.00% for Plan A and 9.25% for Plan B. According to state statute, the System also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The Bureau's contractually required contribution rate for the year ended December 31, 2015, was 14.50% from January 1, 2015, to December 31, 2015, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the Bureau were \$71,067 for the year ended December 31, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the Bureau reported a liability of \$21,824 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2014, and the total pension liability used to

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Bureau's proportion of the Net Pension Liability was based on a projection of the Bureau's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the Bureau's proportion was .0798%, which was an increase of .0056 percentage points from its proportion measured as of December 31, 2014.

For the year ended December 31, 2015, the Bureau recognized pension expense of \$55,753 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$1,047.

| | <u>Business-type Activities</u> Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------|
| Differences between expected and actual experience | - | 9,702 |
| Net difference between projected and actual earnings on pension plan investments | 45,314 | - |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 1,146 | 298 |
| Employer contributions subsequent to the measurement date | <u>71,067</u> | <u>-</u> |
| <u>Total</u> | <u>117,527</u> | <u>10,000</u> |

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources of \$71,067 related to PERS resulting from the Bureau's contributions subsequent to the measurement date be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized as an increase (decrease) in pension expense as follows:

| <u>Year Ended December 31</u> | |
|-----------------------------------|--------|
| 2016 | 12,918 |
| 2017 | 12,918 |
| 2018 | 12,917 |
| 2019 | - |

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2015 are as follows:

| | |
|----------------------------------|-----------------------------------------|
| Valuation date | December 31, 2015 |
| Actuarial cost method | Entry Age Normal |
| Expected remaining service lives | 4 years |
| Actuarial assumptions: | |
| Investment rate of return | 7.25%, net of investment expense |
| Inflation rate | 3% |
| Projected salary increases | 5.75% (2.75% merit and 3.00% inflation) |

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

Actuarial Assumptions (Continued)

| | |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mortality rates | RP-2000 Employee Mortality Table for active members RP-2000 Healthy Annuitant Mortality Table for healthy annuitants RP-2000 Disabled Lives Mortality Tables for disabled annuitants |
| Cost-of-living adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |

The discount rate used to measure the total pension liability was 7.25% for Plan A and 7.25% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.11% for the year ended December 31, 2015.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2015, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|--------------------|--------------------------------|---------------------------------------------------------|
| Fixed Income | 34% | 1.30% |
| Equity | 51% | 3.55% |
| Alternatives | 12% | 0.77% |
| Real assets | <u>3%</u> | <u>0.19%</u> |
| Totals | <u>100%</u> | <u>5.81%</u> |
| Inflation | | 2.30% |
| Expected | | 8.11% |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2004 through December 31, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - PENSION PLAN: (Continued)

those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Bureau's proportionate share of the PERS net pension liability calculated using the discount rate of 7.25%, as well as what the Bureau's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2015:

| | One Percentage Point Decrease <u>6.25%</u> | Current Discount Rate <u>7.25%</u> | One Percentage Point Increase <u>8.25%</u> |
|-----------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------|
| Net Pension Liability | \$315,502 | \$21,824 | \$(227,006) |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org or www.lla.state.la.us.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$16,454, which is the legally required contribution due at December 31, 2015. This amount is recorded in accrued expenses.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - COMMITTED NET ASSETS:

The Board of Directors, the Bureau's highest level of decision making authority, has committed net assets, by adoption of a board resolution, for use in future years for tourism in Ouachita Parish. The breakdown of the committed amounts is as follows:

| | |
|-------------------------------------------------------------|----------------|
| Monroe Renaissance - 4 th of July Fireworks 2016 | 2,500 |
| All-American Junior Beefmaster Show 2016 | 7,000 |
| Cotton Stakes & Classic | 8,758 |
| BMX Cajun National 2016-2019 | 36,000 |
| Cotton Stakes The Ike Derby/2016 | 20,000 |
| Louisiana Purchase Gardens and Zoo | 12,000 |
| City of Monroe/Garrett Law Office Restoration | 18,000 |
| Downtown River Market | 10,000 |
| Biedenharn Museum and Gardens/2016 | 7,515 |
| Twin Cities' Krewe of Janus | 10,000 |
| Mardi Gras Parade Advertising | 20,000 |
| Twin City Ballet Company | 1,500 |
| Future Farmers of America Convention 2014-2017 | 20,000 |
| <u>Total</u> | <u>173,273</u> |

NOTE 7 - EMPLOYMENT CONTRACT:

The Board of Directors voted to grant the Executive Director a three-year employment contract in August of 2015. The three-year contract offers an annual raise of not less than 4% per year.

NOTE 8 - RISK MANAGEMENT:

The Bureau is exposed to various risks of loss related to torts, theft, damage or destruction of assets, employee injuries, natural disaster and other claims in its normal course of business. The Bureau has obtained insurance coverage to reduce its risk in the event of a loss. The Bureau has had no significant reduction in insurance coverage from prior years and has had no settlement that exceeds insurance coverage during the past three years.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - SPECIAL EVENTS:

Special events held during the year consisted of the Louisiana State Games. Details of this event are as follows:

| | |
|------------|----------------------------------|
| | <u>Louisiana State Games</u> |
| Income | 13,200 |
| Expenses | <u>(8,242)</u> |
| <u>Net</u> | <u>4,958</u> |

NOTE 10 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Bureau reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 11 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Bureau through June 29, 2016, the date the report was available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENT:

In June 2012, the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENT:

administered through trusts or equivalent arrangements that meet the criteria established by this standard. The provisions of GASB Statement No. 68 were implemented by the Bureau during the year ending December 31, 2015. The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This resulted in a restatement of previously reported net position as follows:

| | <u>Governmental Activities</u> |
|------------------------------------------------------|------------------------------------|
| January 1, 2015 net position, as previously reported | 7,847,634 |
| Change in accounting principle: | |
| Net effect of recording Net Pension Liability | <u>70,389</u> |
| January 1, 2015 net position, as restated | <u>7,918,023</u> |

REQUIRED SUPPLEMENTAL INFORMATION

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|----------------------------------------------------------------------------------------------|------------------|------------------|-------------------|---------------------------------------------------------|
| | Original | Final | | |
| <u>Resources (Inflows):</u> | | | | |
| Hotel-Motel Occupancy Tax | 1,500,000 | 1,686,018 | 1,730,053 | 44,035 |
| Hotel-Motel Sales Tax Rebate | 1,448,000 | 1,544,796 | 1,530,659 | (14,137) |
| Miscellaneous Revenues | 42,000 | 15,633 | 61,043 | 45,410 |
| Special Events (Net) | 16,000 | 13,200 | 4,958 | (8,242) |
| Interest | 1,500 | 2,186 | 2,207 | 21 |
| Amounts Available for Appropriation | <u>3,007,500</u> | <u>3,261,833</u> | <u>3,328,920</u> | <u>67,087</u> |
| <u>Charges to Appropriations</u> (Outflows): | | | | |
| Personal Services | 679,080 | 676,723 | 666,593 | 10,130 |
| Travel | 78,344 | 67,054 | 64,373 | 2,681 |
| Operating Expenses | 894,200 | 756,138 | 632,466 | 123,672 |
| Supplies | 4,100 | 4,439 | 7,892 | (3,453) |
| Professional Services | 153,100 | 116,297 | 173,623 | (57,326) |
| Other Charges | 805,500 | 398,473 | 438,364 | (39,891) |
| Capital Outlays | 26,500 | 24,245 | 44,432 | (20,187) |
| Bond Principal Payments | - | - | - | - |
| Interest on Long-Term Debt | - | - | - | - |
| Total Charges to Appropriations | <u>2,640,824</u> | <u>2,043,369</u> | <u>2,027,743</u> | <u>15,626</u> |
| <u>Excess of Reserves</u> <u>Over (Under) Expenditures</u> | 366,676 | 1,218,464 | 1,301,177 | 82,713 |
| <u>Other Financing Sources</u> (Uses) | | | | |
| Proceeds of Bond | - | - | - | - |
| Asset | - | - | - | - |
| <u>Net Other Financing</u> <u>Sources (Uses)</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| <u>Excess of Revenues and</u> <u>Sources Over (Under)</u> <u>Expenditures and Uses</u> | 366,676 | 1,218,464 | 1,301,177 | 82,713 |
| <u>Fund Balance at Beginning</u> <u>of Year</u> | <u>7,000,804</u> | <u>7,000,804</u> | <u>7,000,804</u> | <u>-0-</u> |
| <u>FUND BALANCE AT END OF</u> <u>YEAR</u> | <u>7,367,480</u> | <u>8,219,268</u> | <u>8,301,981</u> | <u>82,713</u> |

See Independent Auditors' Report.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE YEAR ENDED DECEMBER 31, 2015*

Parochial Employees Retirement System of Louisiana

| | |
|-------------------------------------------------------------------------------------------------------------|----------|
| Employers' Proportion of the Net Pension Liability | 0.079823 |
| Employer's Proportionate Share of the Net Pension Liability | 21,824 |
| Employer's Covered-Employee Payroll | 490,119 |
| Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | 4.45% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 99.15% |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

* The amounts presented have a measurement date of the previous fiscal year end.

See Independent Auditors' Report.

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JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
 CERTIFIED PUBLIC ACCOUNTANTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2015

Parochial Employees Retirement System of Louisiana

| | |
|-------------------------------------------------------------------------|---------------|
| Contractually Required Contribution | 71,067 |
| Contributions in Relation to the Contractually Required Contribution | <u>71,067</u> |
| Contribution Deficiency (Excess) | <u>-0-</u> |
| Employer's Covered-Employee Payroll | 490,119 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.50% |

Note: Schedule is intended to show information for 10 years.
 Additional years will be displayed as they become available.

OTHER SUPPLEMENTAL INFORMATION

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE PERIODS ENDED DURING FISCAL YEAR DECEMBER 31, 2015

AGENCY HEAD NAME/TITLE: ALANA COOPER, EXECUTIVE DIRECTOR

| <u>Purpose</u> | <u>Amount</u> |
|------------------------------------------------------------------|---------------|
| Salary | 101,430 |
| Benefits-insurance | 17,851 |
| Benefits-retirement | 14,707 |
| Benefits-other (describe) | -0- |
| Benefits-other (describe) | -0- |
| Benefits-other (describe) | -0- |
| Car allowance | -0- |
| Vehicle provided by government (enter amount reported on W-2) | 4,720 |
| Per diem | -0- |
| Reimbursements | 979 |
| Travel | 7,282 |
| Registration Fees | 4,085 |
| Conference travel | -0- |
| Housing | -0- |
| Unvouchered expenses (example: travel advances, etc.) | -0- |
| Special meals | -0- |
| Other | -0- |

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board

Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish
West Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau) as of and for the year ended December 31, 2015, 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 29, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis, A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of

the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. This item is listed as 2015-001.

Compliance and Other Matters

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

The Bureau's Response to Findings

The Bureau's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information use of management, the Board members, and the Louisiana Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 29, 2016

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

FINANCIAL STATEMENT FINDINGS

Internal Control

2015-001

Criteria: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Bureau's annual financial statements. This condition is intentional by management based upon the Bureau's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Auditing standards require that we report the above condition as a control deficiency. The standards do not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Conditions: Proper internal controls under professional accounting standards require management to prepare the Bureau's annual financial statements.

Effect: This finding has no material effect on the financial statements.

Cause: It is not cost effective for the Bureau to cure this control deficiency.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

2015-001 (Continued)

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying professional standard reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and, accordingly, do not believe any corrective action is necessary.

Response: Management agrees with this finding.

Compliance

N/A

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2015

Ms. Alana Cooper, executive director, is the contract person for the corrective action plan.

INTERNAL CONTROL FINDINGS

2015-001

Condition: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Bureau's annual financial statements. This condition is intentional by management based upon the Bureau's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Auditing standards require that we report the above condition as a control deficiency. The standards do not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying professional standard reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and, accordingly, do not believe any corrective action is necessary.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

INTERNAL CONTROL FINDINGS (Continued)

2015-001 (Continued)

Responses: Management agrees with auditors' recommendation. No
additional action is needed.

Compliance

N/A

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2015

FINANCIAL STATEMENT FINDINGS - PRIOR YEAR ENDED DECEMBER 31, 2014

2014-001

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Bureau's annual financial statements. This condition is intentional by management based upon the Bureau's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Status: Uncleared. It is not cost effective to cure this finding.