MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU

OF OUACHITA PARISH

WEST MONROE, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2016

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
DECEMBER 31, 2016

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

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA
DAWN WHITSTINE, CPA

CPA
America Counts on CPAs®

Certified Public Accountants
3007 Armand Street
Monroe, Louisiana 71201
Telephone (318) 322-5156 or (318) 323-1411
Facsimile (318) 323-6331

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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, 2016, 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, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability and schedule of contributions - retirement plan on pages 4 through 7 and 41 through 43 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 26, 2017, 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

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 26, 2017

MONROE West MONROE
CONVENTION AND VISITORS BUREAU

P.O. Box 1436
West Monroe, LA 71294-1436

318.387.5691
800.843.1872
fax 318.324.1752

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, 2016. 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.

THE BUREAU AS A WHOLE:

Net position December 31, 2016

	2016	2015	Variance
Current and Other Assets	9,190,736	8,514,275	676,461
Capital Assets, Net	835,081	838,038	(2,957)
Deferred Outflows of Resources	323,576	117,527	206,049
Total Assets	10,349,393	9,469,840	879,553
Current and Other Liabilities	171,870	234,118	(62,248)
Noncurrent Liabilities	261,706	10,000	251,706
Total Liabilities	433,576	244,118	189,458
Net Position			
Net Investment in Capital Assets	835,081	838,038	(2,957)
Unrestricted	9,080,736	8,387,684	693,052
Total Net Position	9,915,817	9,225,722	690,095

For the year ended December 31, 2016, net position changed as follows:

	2016	2015	Variance
Beginning Net Position	9,225,722	7,918,023	1,307,699
Increase in Net Position	690,095	1,307,699	(617,604)
Ending Net Position	9,915,817	9,225,722	690,095

THE BUREAU'S FUNDS:

The following schedule presents a summary of revenues and expenditures for the fiscal year ended December 31, 2016.

Revenue	2016 Amount	Percent Of Total	2015 Amount	Variance
Hotel-Motel Occupancy Tax	1,828,903	53.10 %	1,730,053	98,850
Hotel-Motel Sales Tax	1,533,238	44.52 %	1,530,659	2,579
Interest Earned	2,108	.06 %	2,207	(99)
Special Events	31,830	.92 %	4,958	26,872
Miscellaneous	49,916	1.40 %	61,043	(11,127)
Total Revenues	3,445,995	100.00 %	3,328,920	117,075
Expenses				
Personal Services	730,370		651,279	(79,091)
Travel	74,084		64,373	(9,711)
Operating Expenses	663,134		681,721	18,587
Supplies	6,072		7,892	1,820
Professional Services	133,467		124,368	(9,099)
Other Charges	1,094,942		438,364	(656,578)
Interest	-		-	-
Depreciation	53,831		53,224	(607)
Total Expenditures	2,755,900	100.00 %	2,021,221	(734,679)

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 2016 were less than the final budget by $44,076. Actual expenditures for the Bureau in 2016 were less than the final budget by $18,738. This variance reflects a moderate decrease in sales tax revenue during the last year and a decrease in operating expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital Assets

At December 31, 2016, the Bureau had $1,681,862 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table below).

	2016	2015	Variance
Building and Improvements	1,138,068	1,138,068	-0-
Furniture, Fixtures and Equipment	307,863	306,943	920
Vehicles	95,691	58,451	37,240
Improvements	140,240	140,240	-0-
Total	1,681,862	1,643,702	38,160

Additions to Capital Assets during 2016 include a $13,381 increase in Furniture, Fixtures and Equipment for computer equipment and telephone equipment, and a $37,493 increase in Vehicles for a new vehicle.

Debt

Accumulated depreciation increased from $855,664 at December 31, 2015 to $896,781 at December 31, 2016.

The Bureau had no debt at December 31, 2016.

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 Chairman

Sammy Gordy
Chairman of the Board

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	8,535,323
Accounts Receivable	633,684
Prepaid Expenses	21,729
TOTAL CURRENT ASSETS	9,190,736
CAPITAL ASSETS	
Non-Depreciable	50,000
Depreciable	785,081
TOTAL CAPITAL ASSETS	835,081
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferrals	323,576
TOTAL DEFERRED OUTFLOWS OF RESOURCES	323,576
TOTAL ASSETS	10,349,393

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 NET POSITION (CONTINUED)
DECEMBER 31, 2016

LIABILITIES AND NET POSITION	Governmental Activities
CURRENT LIABILITIES	
Accounts Payable	140,417
Accrued Expenses	31,453
TOTAL CURRENT LIABILITIES	171,870
NON-CURRENT LIABILITIES	
Net Pension Liability	225,013
TOTAL NON-CURRENT LIABILITIES	225,013
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferrals	36,693
TOTAL DEFERRED INFLOWS OF RESOURCES	36,693
TOTAL LIABILITIES	433,576
NET POSITION	
Net Investment in Capital Assets, Unrestricted	835,081
Unrestricted	9,080,736
TOTAL NET POSITION	9,915,817
TOTAL LIABILITIES AND NET POSITION	10,349,393

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, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Function/Program Activities					
Government Activities:					
Personal Services	730,370	-	-	-	(730,370)
Travel	74,084	-	-	-	(74,084)
Operating Expenses	663,134	-	-	-	(663,134)
Supplies	6,072	-	-	-	(6,072)
Professional Services	133,467	-	-	-	(133,467)
Other Charges	1,094,942	-	-	-	(1,094,942)
Interest on Long-Term Debt	-	-	-	-	-
Unallocated Depreciation	53,831	-	-	-	(53,831)
Total Governmental Activities	2,755,900	-0-	-0-	-0-	(2,755,900)
General Revenues:					
	Hotel-Motel Occupancy Tax				1,828,903
	Hotel-Motel Sales Tax				1,533,238
	Miscellaneous				49,916
	Special Events - Sports				31,830
	Interest Earned				2,108
	Total General Revenues				3,445,995
	Changes in Net Position				690,095
	Net Position - Beginning				9,225,722
	Net Position - Ending				9,915,817

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, 2016

	General Fund
ASSETS	
Cash	8,535,323
Receivables (Net of Allowances for Uncollectibles)	633,684
Prepaid Expenses	21,729
TOTAL ASSETS	9,190,736
LIABILITIES AND FUND BALANCE	
Accounts Payable	140,417
Accrued and Withhold Payroll Taxes	31,453
TOTAL LIABILITIES	171,870
FUND BALANCE	
Committed Funds	1,865,110
Unassigned Funds	7,132,027
Nonspendable	21,729
TOTAL FUND BALANCE	9,018,866
TOTAL LIABILITIES AND FUND BALANCE	9,190,736

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, 2016

Total Governmental Fund Balances	9,018,866
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	835,081
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	(225,013)
Pension related deferrals	
Outflows	323,576
Inflows	(36,693)
Net Position of Governmental Activities	9,915,817

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
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund
REVENUES	
Taxes	
Occupancy Tax	1,828,903
Sales Tax	1,533,238
Other	49,916
Special Events - Sports	31,830
Interest	2,108
TOTAL REVENUES	3,445,995
EXPENDITURES	
Personal Services	
Salaries - Regular	550,409
FICA Taxes	10,188
Retirement Fund Expense	67,071
Unemployment Benefits	97
Other Related Benefits	78,774
Travel	
Travel and Convention Solicitation	66,272
Gasoline and Related Expenses	4,056
Auto Repairs and Maintenance	3,756
Operating Expenses	
Advertising	249,637
Convention Services	83,372
Research and Development	5,832
Printing	32,340
Insurance, Other Than Personal	29,182
Maintenance of Property and Equipment	33,631
Rentals and Related Expense	41,492
Dues and Subscriptions	18,291
Postage	6,178
Telephone	13,899
Other Operating Expenses	73,941
Utilities	13,128
Professional Organizations	62,209
Supplies	
Office Supplies	6,072
Operating Supplies	-
Professional Services	
Accounting and Auditing	12,500
Legal and Other Professional Services	120,967

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, 2016

	General Fund
EXPENDITURES (Continued)	
Other Charges	
Miscellaneous Charges	909
Collection Fees (Statutory Charges)	4,000
Special Promotions and Community Improvement	909,930
Cost of Special Events (Sports)	50,611
Christmas on the River	129,492
Capital Outlays	
Furniture, Fixtures and Equipment	50,874
Vehicles	-
Debt Service	
Bond Principal Payments	-
Interest	-
TOTAL EXPENDITURES	2,729,110
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	716,885
OTHER FINANCING SOURCES (USES)	
None	-
NET OTHER FINANCING SOURCES (USES)	-0-
NET CHANGE IN FUND BALANCE	716,885
FUND BALANCE - BEGINNING OF YEAR	8,301,981
FUND BALANCE - END OF YEAR	9,018,866

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, 2016

Net Changes in Total Governmental Fund	716,885
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	50,874
Depreciation expense	(53,831)
	(2,957)
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 more than the amount actually paid:	
Pension expense	(23,833)
Total Changes in Net Position	690,095

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

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.

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.

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

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

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.

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.

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.

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.

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, 2016, the Bureau had cash and cash equivalents totaling $8,535,323 as follows:

Category 1	4,331,580
Category 2	-
Category 3	4,203,743
TOTAL	8,535,323

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.

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, 2016, the Bureau had $8,282,780 in the bank that was insured with additional coverage through pledged securities. Time deposits include an investment of $2,543 in the Louisiana Asset Management Pool (LAMP).

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, 2016.

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.

NOTE 3 - RECEIVABLES:

The following is a summary of receivables at December 31, 2016:

Class of Receivable	General Fund
Hotel-Motel Sales Tax Rebate	361,383
Hotel-Motel Sales Tax Revenue	259,204
Miscellaneous	13,097
TOTAL	633,684

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, 2016 is as follows:

	December 31, 2015 Balance	Additions	Disposals	December 31, 2016 Balance
Non-Depreciable Assets:			-	
Land	50,000	-	-	50,000
Depreciable Assets:		-	-	
Building	1,138,068	-	-	1,138,068
Office Equipment and Furniture	297,941	13,381	10,311	301,011
Furniture & Fixtures	9,002	-	2,150	6,852
Vehicles	58,451	37,493	253	95,691
Improvements	140,240	-	-	140,240
Totals at Historical Cost	1,693,702	50,874	12,714	1,731,862
Less Accumulated Depreciation For:				
Building	452,309	29,181	-	481,490
Office Equipment & Furniture	283,230	7,321	10,311	280,240
Furniture & Fixtures	9,002	-	2,150	6,852
Vehicles	51,373	4,634	253	55,754
Improvements	59,750	12,695	-	72,445
Total Accumulated Depreciation	855,664	53,831	12,714	896,781
CAPITAL ASSETS, NET	838,038	(2,957)	-0-	835,081

NOTE 4 - FIXED ASSET ACTIVITY: (Continued)

Depreciation expense for the depreciable capital assets was $53,831.

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.

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 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.

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,

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

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.

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.

NOTE 5 - PENSION PLAN: (Continued)

Contributions

According to state statute, contributions or all employers are actuarially determined each year. For the year ended December 31, 2015, the actuarially determined contribution rate was 10.40% of member's compensation for Plan A and 6.91% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2015, was 14.50% for Plan A and 9.00% 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, 2016, was 13.00% from January 1, 2016, to December 31, 2016, 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 $67,069 for the year ended December 31, 2016.

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

At December 31, 2016, the Bureau reported a liability of $225,013 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2015, and the total pension liability used to

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, 2015, the Bureau's proportion was .0855%, which was an increase of .0057 percentage points from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the Bureau recognized pension expense of $90,742 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $160.

	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	35,761
Net difference between projected and actual earnings on pension plan investments	205,893	-
Change in Assumption	50,136	-
Change in proportion and differences between employer contributions and proportionate share of contributions	478	932
Employer contributions subsequent to the measurement date	67,069	-
Total	323,576	36,693

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 $67,069 related to PERS resulting from the Bureau's contributions subsequent to the measurement dater be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2016. 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:

Year Ended December 31	
2017	57,961
2018	57,961
2019	61,523
2020	42,689

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2016 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	7.00%, net of investment expense
Inflation rate	3%
Projected salary increases	5.25% (2.75% merit and 2.50% inflation)

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 7.00% for Plan A and 7.00% 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

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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.55% 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:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	34%	1.30%
Equity	51%	3.55%
Alternatives	12%	0.77%
Real assets	3%	0.19%
Totals	100%	5.81%
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, 2010 through December 31, 2014. 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

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 7.00%, 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 6.00%	Current Discount Rate 7.00%	One Percentage Point Increase 8.00%
Net Pension Liability	$363,740	$225,013	$(61,252)

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 $225,013, which is the legally required contribution due at December 31, 2016. This amount is recorded in accrued expenses.

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:

Chennault Aviation & Military Museum/Billboards	2,860
City of Monroe, Delta Fest	3,000
West Monroe Chamber of Commerce	1,150
Dixie Major World Series 3/17	4,500
The Ike Derby and Classic, 2017	20,000
The Ike Derby and Classic, 2016	5,000
Cottonland Marathon	387
Cotton Stakes & Classic	8,758
BMX Cajun National 2016-2019	24,750
Cotton Stakes 9/16	5,000
Friends of Black Bayou	767
Cottonland Cluster Dog Show	1,250
Downtown Arts Alliance	5,525
Fishers of Men South Central Region	10,000
Twin Cities' Krewe of Janus	10,000
American Bass Anglers National Championship	29,000
Twin City Ballet Company	2,000
Future Farmers of America Convention 2014-2017	10,000
City of Monroe/Garrett Law Office Restoration	1,163
City of Monroe/Civic Center	5,000
Northeast Louisiana Soccer Association	60,000
West Monroe Civitan/SMILES Park	5,000
East Ouachita Recreation District #1 Osterland	1,000,000
ULM Athletic Department Track	650,000
Total	1,865,110

NOTE 7 - EMPLOYMENT CONTRACT:

The Board of Directors voted to grant the Executive Director a three-year employment contract in August of 2014. 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.

NOTE 9 - SPECIAL EVENTS:

Special events held during the year consisted of the AAU National Tournament. Details of this event are as follows:

	AAU National Tournament
Income	31,830
Expenses	(50,611)
Net	(18,781)

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

NOTE 11 - SUBSEQUENT EVENTS: (Continued)

Bureau through June 26, 2017, 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.

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, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Resources (Inflows):				
Hotel-Motel Occupancy Tax	1,650,000	1,833,525	1,828,903	(4,622)
Hotel-Motel Sales Tax Rebate	1,500,000	1,552,383	1,533,238	(19,145)
Miscellaneous Revenues	30,000	49,739	49,916	177
Special Events	36,000	52,325	31,830	(20,495)
Interest	2,000	2,099	2,108	9
Amounts Available for Appropriation	3,218,000	3,490,071	3,445,995	(44,076)
Charges to Appropriations (Outflows):				
Personal Services	736,428	708,083	706,539	1,544
Travel	73,493	72,259	74,084	(1,825)
Operating Expenses	791,397	729,800	663,132	66,668
Supplies	5,000	3,183	6,072	(2,889)
Professional Services	169,556	163,120	133,467	29,653
Other Charges	1,689,500	1,021,339	1,094,942	(73,603)
Capital Outlays	56,500	50,064	50,874	(810)
Bond Principal Payments	-	-	-	-
Interest on Long-Term Debt	-	-	-	-
Total Charges to Appropriations	3,521,874	2,747,848	2,729,110	18,738
Excess of Reserves Over (Under) Expenditures	(303,874)	742,223	716,885	(25,338)
Other Financing Sources (Uses)				
Proceeds of Bond	-	-	-	-
Asset	-	-	-	-
Net Other Financing Sources (Uses)	-0-	-0-	-0-	-0-
Excess of Revenues and Sources Over (Under) Expenditures and Uses	(303,874)	742,223	716,885	(25,338)
Fund Balance at Beginning of Year	8,301,981	8,301,981	8,301,981	-0-
FUND BALANCE AT END OF YEAR	7,998,107	9,044,204	9,018,866	(25,338)

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, 2016*

Parochial Employees Retirement System of Louisiana	12/31/2016*	12/31/2015*
Employers' Proportion of the Net Pension Liability	0.085482	0.079823
Employer's Proportionate Share of the Net Pension Liability	225,013	21,824
Employer's Covered-Employee Payroll	515,920	490,119
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	43.61%	4.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.23%	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.

SCHEDULE III

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016

	12/31/2016	12/31/2015
Parochial Employees Retirement System of Louisiana		
Contractually Required Contribution	67,069	71,067
Contributions in Relation to the Contractually Required Contribution	67,069	71,067
Contribution Deficiency (Excess)	-0-	-0-
Employer's Covered-Employee Payroll	515,920	490,119
Contributions as a Percentage of Covered-Employee Payroll	13.00%	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, 2016

AGENCY HEAD NAME/TITLE: ALANA COOPER, EXECUTIVE DIRECTOR

Purpose	Amount
Salary	105,487
Benefits-insurance	20,974
Benefits-retirement	13,713
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	799
Travel	-0-
Registration Fees	3,119
Conference travel	8,071
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
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA
DAWN WHITSTINE, CPA

CPA
America Counts on CPAs®

Certified Public Accountants
3007 Armand Street
Monroe, Louisiana 71201
Telephone (318) 322-5156 or (318) 323-1411
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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, 2016, 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 26, 2017.

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 2016-001.

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 26, 2017

FINANCIAL STATEMENT FINDINGS

Internal Control

2016-001

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.

FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

2016-001 (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, 2016

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

INTERNAL CONTROL FINDINGS

2016-001

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.

INTERNAL CONTROL FINDINGS (Continued)

2016-001 (Continued)

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

Compliance

N/A

FINANCIAL STATEMENT FINDINGS - PRIOR YEAR ENDED DECEMBER 31, 2015

2015-001

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.