

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 DECEMBER 31, 2017

CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1-3
Management's Discussion and Analysis.....	4-7
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	8-9
Statement of Activities.....	10
FUND FINANCIAL STATEMENTS:	
Balance Sheet - Governmental Funds.....	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	13-14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15
Notes to Financial Statements.....	16-40
REQUIRED SUPPLEMENTAL INFORMATION:	
Schedule I - Budgetary Comparison Schedule - General Fund.....	41
Schedule II - Schedule of Proportionate Share of the Net Pension Liability.....	42
Schedule III - Schedule of Contributions - Retirement Plan.....	43
OTHER SUPPLEMENTAL INFORMATION:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer.....	44
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	45-47
Schedule of Current Year Findings and Responses.....	48-49
Management's Corrective Action Plan for Current Year Findings and Responses.....	50-51
Schedule of Prior Year Findings and Responses.....	52
Independent Accountants' Report on Applying Agreed-Upon Procedures....	53-66

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



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

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

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, 2017, 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, 2017, 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 14, 2018, 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 14, 2018



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, 2017. 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, 2017

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Current and Other Assets	10,334,594	9,190,736	1,143,858
Capital Assets, Net	780,055	835,081	(55,026)
Deferred Outflows of Resources	247,280	323,576	(76,296)
Total Assets	<u>11,361,929</u>	<u>10,349,393</u>	<u>1,012,536</u>
Current and Other Liabilities	707,259	171,870	535,389
Noncurrent Liabilities	211,106	261,706	(50,600)
Total Liabilities	<u>918,365</u>	<u>433,576</u>	<u>484,789</u>
Net Position			
Net Investment in Capital Assets	780,055	835,081	(55,026)
Unrestricted	9,663,509	9,080,736	582,773
Total Net Position	<u>10,443,564</u>	<u>9,915,817</u>	<u>527,747</u>

For the year ended December 31, 2017, net position changed as follows:

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Beginning Net Position	9,915,817	9,225,722	690,095
Increase in Net Position	527,747	690,095	(162,348)
Ending Net Position	<u>10,443,564</u>	<u>9,915,817</u>	<u>527,747</u>

THE BUREAU'S FUNDS:

The following schedule presents a summary of revenues and expenditures for the fiscal year ended December 31, 2017.

	<u>2017</u>	<u>Percent</u>	<u>2016</u>	<u>Variance</u>
Revenue	<u>Amount</u>	<u>Of Total</u>	<u>Amount</u>	
Hotel-Motel Occupancy Tax	1,796,324	53.92 %	1,828,903	(32,579)
Hotel-Motel Sales Tax	1,440,490	43.24 %	1,533,238	(92,748)
Interest Earned	2,263	.06 %	2,108	155
Special Events	29,345	.89 %	31,830	(2,485)
Miscellaneous	62,865	1.89 %	49,916	12,949
Total Revenues	<u>3,331,287</u>	<u>100.00 %</u>	<u>3,445,995</u>	<u>(114,708)</u>
Expenses				
Personal Services	813,337		730,370	82,967
Travel	68,047		74,084	(6,037)
Operating Expenses	670,901		663,134	7,767
Supplies	6,580		6,072	508
Professional Services	125,248		133,467	(8,219)
Other Charges	1,060,464		1,094,942	(34,478)
Interest	-		-	-
Depreciation	58,963		53,831	5,132
Total Expenditures	<u>2,803,540</u>	<u>100.00 %</u>	<u>2,755,900</u>	<u>47,640</u>

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 2017 were less than the final budget by \$52,202. Actual expenditures for the Bureau in 2017 were less than the final budget by \$408,168. 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, 2017, the Bureau had \$1,685,799 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table below).

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Building and Improvements	1,138,068	1,138,068	-0-
Furniture, Fixtures and Equipment	311,800	307,863	3,937
Vehicles	95,691	95,691	-0-
Improvements	<u>140,240</u>	<u>140,240</u>	<u>-0-</u>
<u>Total</u>	<u>1,685,799</u>	<u>1,681,862</u>	<u>3,937</u>

Additions to Capital Assets during 2017 include a \$3,937 increase in Furniture, Fixtures and Equipment for computer equipment and camera equipment.

Debt

Accumulated depreciation increased from \$896,781 at December 31, 2016 to \$955,744 at December 31, 2017.

The Bureau had no debt at December 31, 2017.

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.



Alana Cooper
Executive Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
 WEST MONROE, LOUISIANA
 STATEMENT OF NET POSITION
 DECEMBER 31, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	9,692,737
Accounts Receivable	608,221
Prepaid Expenses	<u>33,636</u>
<u>TOTAL CURRENT ASSETS</u>	<u>10,334,594</u>
<u>CAPITAL ASSETS</u>	
Non-Depreciable	50,000
Depreciable	<u>730,055</u>
<u>TOTAL CAPITAL ASSETS</u>	<u>780,055</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Related Deferrals	<u>247,280</u>
<u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>	<u>247,280</u>
<u>TOTAL ASSETS</u>	<u>11,361,929</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 NET POSITION (CONTINUED)
 DECEMBER 31, 2017

	<u>Governmental Activities</u>
<u>LIABILITIES AND NET POSITION</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	668,582
Accrued Expenses	<u>38,677</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>707,259</u>
<u>NON-CURRENT LIABILITIES</u>	
Net Pension Liability	<u>179,165</u>
<u>TOTAL NON-CURRENT LIABILITIES</u>	<u>179,165</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Related Deferrals	<u>31,941</u>
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>31,941</u>
<u>TOTAL LIABILITIES</u>	<u>918,365</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets, Unrestricted	780,055
Unrestricted	<u>9,663,509</u>
<u>TOTAL NET POSITION</u>	<u>10,443,564</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>11,361,929</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, 2017

<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	813,337	-	-	-	(813,337)
Travel	68,047	-	-	-	(68,047)
Operating Expenses	670,901	-	-	-	(670,901)
Supplies	6,580	-	-	-	(6,580)
Professional Services	125,248	-	-	-	(125,248)
Other Charges	1,060,464	-	-	-	(1,060,464)
Interest on Long-Term Debt	-	-	-	-	-
Unallocated Depreciation	58,963	-	-	-	(58,963)
<u>Total Governmental</u> <u>Activities</u>	<u>2,803,540</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(2,803,540)</u>
General Revenues:					
					1,796,324
					1,440,490
					62,865
					29,345
					2,263
					<u>3,331,287</u>
					527,747
					<u>9,915,817</u>
					<u>10,443,564</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, 2017

General Fund

ASSETS

Cash	9,692,737
Receivables (Net of Allowances for Uncollectibles)	608,221
Prepaid Expenses	<u>33,636</u>
 <u>TOTAL ASSETS</u>	 <u>10,334,594</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	668,582
Accrued and Withhold Payroll Taxes	<u>38,677</u>
 <u>TOTAL LIABILITIES</u>	 <u>707,259</u>

FUND BALANCE

Committed Funds	2,123,485
Unassigned Funds	7,470,214
Nonspendable	<u>33,636</u>

<u>TOTAL FUND BALANCE</u>	<u>9,627,335</u>
---------------------------	------------------

<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>10,334,594</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, 2017

<u>Total Governmental Fund Balances</u>	9,627,335
<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.	780,055
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	(179,165)
Pension related deferrals	
Outflows	247,280
Inflows	(<u>31,941</u>)
<u>Net Position of Governmental Activities</u>	<u>10,443,564</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 REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

<u>REVENUES</u>	<u>General Fund</u>
Taxes	
Occupancy Tax	1,796,324
Sales Tax	1,440,490
Other	62,865
Special Events - Sports	29,345
Interest	<u>2,263</u>
<u>TOTAL REVENUES</u>	<u>3,331,287</u>
<u>EXPENDITURES</u>	
Personal Services	
Salaries - Regular	613,852
FICA Taxes	10,975
Retirement Fund Expense	73,890
Unemployment Benefits	70
Other Related Benefits	88,854
Travel	
Travel and Convention Solicitation	64,552
Gasoline and Related Expenses	1,916
Auto Repairs and Maintenance	1,579
Operating Expenses	
Advertising	238,104
Convention Services	107,958
Research and Development	-
Printing	19,383
Insurance, Other Than Personal	32,324
Maintenance of Property and Equipment	57,785
Rentals and Related Expense	40,710
Dues and Subscriptions	25,722
Postage	4,102
Telephone	11,919
Other Operating Expenses	73,948
Utilities	12,752
Professional Organizations	46,194
Supplies	
Office Supplies	6,580
Operating Supplies	-
Professional Services	
Accounting and Auditing	12,400
Legal and Other Professional Services	112,848

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, 2017

	<u>General Fund</u>
<u>EXPENDITURES (Continued)</u>	
Other Charges	
Miscellaneous Charges	715
Collection Fees (Statutory Charges)	4,000
Special Promotions and Community Improvement	910,718
Cost of Special Events (Sports)	43,060
Christmas on the River	101,971
Capital Outlays	
Furniture, Fixtures and Equipment	3,937
Vehicles	-
Debt Service	
Bond Principal Payments	-
Interest	-
<u>TOTAL EXPENDITURES</u>	<u>2,722,818</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</u>	
<u>EXPENDITURES</u>	<u>608,469</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>608,469</u>
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>9,018,866</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>9,627,335</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, 2017

<u>Net Changes in Total Governmental Fund</u>	608,469
---	---------

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	3,937
Depreciation expense	(58,963)
	(55,026)

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	(25,696)
-----------------	-----------

<u>Total Changes in Net Position</u>	<u>527,747</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
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017, the Bureau had cash and cash equivalents totaling \$9,692,737 as follows:

Category 1	1,486,788
Category 2	-
Category 3	<u>8,205,949</u>
<u>TOTAL</u>	<u>9,692,737</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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017, the Bureau had \$9,440,169 in the bank that was insured with additional coverage through pledged securities. Time deposits include an investment of \$2,567 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, 2017.

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, 2017

NOTE 3 - RECEIVABLES:

The following is a summary of receivables at December 31, 2017:

<u>Class of Receivable</u>	<u>General Fund</u>
Hotel-Motel Sales Tax Rebate	342,368
Hotel-Motel Sales Tax Revenue	254,203
Miscellaneous	<u>11,650</u>
<u>TOTAL</u>	<u>608,221</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, 2017 is as follows:

	December 31, 2016 <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	December 31, 2017 <u>Balance</u>
Non-Depreciable Assets:			-	
Land	50,000	-	-	50,000
Depreciable Assets:				
Building	1,138,068	-	-	1,138,068
Office Equipment and Furniture	301,011	3,937	-	304,948
Furniture & Fixtures	6,852	-	-	6,852
Vehicles	95,691	-	-	95,691
Improvements	<u>140,240</u>	-	-	<u>140,240</u>
Totals at Historical Cost	<u>1,731,862</u>	<u>3,937</u>	<u>-0-</u>	<u>1,735,799</u>
Less Accumulated Depreciation For:				
Building	481,490	29,181	-	510,671
Office Equipment & Furniture	280,240	7,818	-	288,058
Furniture & Fixtures	6,852	-	-	6,852
Vehicles	55,754	9,269	-	65,023
Improvements	<u>72,445</u>	<u>12,695</u>	-	<u>85,140</u>
Total Accumulated Depreciation	<u>896,781</u>	<u>58,963</u>	<u>-</u>	<u>955,744</u>
<u>CAPITAL ASSETS, NET</u>	<u>835,081</u>	<u>(55,026)</u>	<u>-0-</u>	<u>780,055</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, 2017

NOTE 4 - FIXED ASSET ACTIVITY: (Continued)

Depreciation expense for the depreciable capital assets was \$58,963.

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

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,

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - PENSION PLAN: (Continued)

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A and 7.20% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2016, was 13.00% 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, 2017, was 12.50% from January 1, 2017, to December 31, 2017, 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 \$73,890 for the year ended December 31, 2017.

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

At December 31, 2017, the Bureau reported a liability of \$179,165 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016, and the total pension liability used 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, 2017

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, 2016, the Bureau's proportion was .0870%, which was an increase of .0015 percentage points from its proportion measured as of December 31, 2016.

For the year ended December 31, 2017, the Bureau recognized pension expense of \$99,586 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$322.

	<u>Business-type Activities</u> Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	31,352
Net difference between projected and actual earnings on pension plan investments	139,039	-
Change in Assumption	34,016	-
Change in proportion and differences between employer contributions and proportionate share of contributions	336	589
Employer contributions subsequent to the measurement date	<u>73,889</u>	<u>-</u>
<u>Total</u>	<u>247,280</u>	<u>31,941</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, 2017

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 \$73,890 related to PERS resulting from the Bureau's contributions subsequent to the measurement date are recognized as a reduction of the Net Pension Liability in the year ended December 31, 2017. 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</u> <u>December 31</u>	
2018	52,338
2019	55,962
2020	36,634
2021	(3,486)
<u>Total</u>	<u>141,448</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2017 are as follows:

Valuation date	December 31, 2016
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)

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - PENSION PLAN: (Continued)

Actuarial Assumptions (Continued)

Mortality rates

RP-2000 Employee Sex Distinct
Tables for employees
RP-2000 Healthy Annuitant Sex
Distinct Tables for annuitants
and beneficiaries
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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH
WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

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 7.66% for the year ended December 31, 2016.

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, 2016, 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	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	<u>2%</u>	<u>0.12%</u>
Totals	<u>100%</u>	<u>5.66%</u>
Inflation		2.00%
Expected		7.66%

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. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected 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, 2017

NOTE 5 - PENSION PLAN: (Continued)

2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

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, 2016:

	One Percentage Point Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	One Percentage Point Increase <u>8.00%</u>
Net Pension Liability	\$535,955	\$179,165	\$(122,512)

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.porsla.org or www.la.state.la.us.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$179,165, which is the legally required contribution due at December 31, 2017. 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, 2017

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/Media	13,240
Chennault Aviation & Military Museum/Print	2,850
Twin City Art Foundation/Masur	2,500
Billboards	99,750
Dixie Major World Series 3/17	4,500
Biedenharn Museum and Gardens	16,003
Monroe Renaissance/Christmas Fireworks 17	1,250
Monroe Renaissance/Christmas Wonderland 17	995
Downtown River Market/Billboards	10,500
The Ike Derby & Classic 1/17	20,000
BMX Cajun National 2016-2019	13,500
Cotton Stakes 9/16	5,000
Downtown Arts Alliance	1,775
Krewe of Janus Float Repairs	18,000
Krewe of Janus Mardi Gras Parade Bands-18	10,000
Krewe of Janus Advertising	20,000
Twin City Ballet Company	7,000
US Team Penning National Finals 2018-2019	44,000
American Crappie Trail Fishing	16,000
Strauss Theatre Center	24,522
Ike Hamilton Expo Center	40,600
NE LA Soccer Association	64,000
Zoological Society	37,500
East Ouachita Recreation District #1 Osterland	1,000,000
ULM Athletic Department Track	<u>650,000</u>
<u>Total</u>	<u>2,123,485</u>

NOTE 7 - EMPLOYMENT CONTRACT:

The Board of Directors voted to grant the Executive Director a three-year employment contract in August of 2017. The three-year contract offers an annual raise of not less than 4% per 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, 2017

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 Louisiana State Games. Details of this event are as follows:

	<u>Louisiana State Games</u>
Income	29,345
Expenses	<u>(43,060)</u>
<u>Net</u>	<u>(13,715)</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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - SUBSEQUENT EVENTS: (Continued)

Bureau through June 14, 2018, 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, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Resources (Inflows):</u>				
Hotel-Motel Occupancy Tax	1,750,000	1,782,250	1,796,324	14,074
Hotel-Motel Sales Tax Rebate	1,735,000	1,490,531	1,440,490	(50,041)
Miscellaneous Revenues	40,000	65,939	62,865	(3,074)
Special Events	50,000	42,645	29,345	(13,300)
Interest	2,000	2,124	2,263	139
Amounts Available for Appropriation	<u>3,577,000</u>	<u>3,383,489</u>	<u>3,331,287</u>	<u>(52,202)</u>
<u>Charges to Appropriations</u>				
<u>(Outflows):</u>				
Personal Services	814,891	788,872	787,641	(1,231)
Travel	73,194	67,435	68,047	612
Operating Expenses	977,118	806,863	670,901	(135,962)
Supplies	4,000	3,100	6,580	3,480
Professional Services	122,200	169,214	125,248	(43,966)
Other Charges	780,800	1,291,452	1,060,464	(230,988)
Capital Outlays	10,500	4,050	3,937	(113)
Bond Principal Payments	-	-	-	-
Interest on Long-Term Debt	-	-	-	-
Total Charges to Appropriations	<u>2,782,703</u>	<u>3,130,986</u>	<u>2,722,818</u>	<u>(408,168)</u>
<u>Excess of Reserves</u> <u>Over (Under) Expenditures</u>	794,297	252,503	608,469	(355,966)
<u>Other Financing Sources</u>				
<u>(Uses)</u>				
Proceeds of Bond Asset	-	-	-	-
Net Other Financing Sources (Uses)	<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>	794,297	252,503	608,469	(355,966)
<u>Fund Balance at Beginning</u> <u>of Year</u>	9,018,866	9,018,866	9,018,866	-0-
<u>FUND BALANCE AT END OF</u> <u>YEAR</u>	<u>9,813,163</u>	<u>9,271,369</u>	<u>9,627,335</u>	<u>(355,966)</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, 2017*

	<u>12/31/2017*</u>	<u>12/31/2016*</u>	<u>12/31/2015*</u>
<u>Parochial Employees Retirement System of Louisiana</u>			
Employers' Proportion of the Net Pension Liability	.086994	0.085482	0.079823
Employer's Proportionate Share of the Net Pension Liability	179,165	225,013	21,824
Employer's Covered-Employee Payroll	591,110	515,920	490,119
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	30.30%	43.61%	4.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.15%	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.

See Independent Auditors' Report.

- 42 -

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, 2017

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<u>Parochial Employees Retirement System of Louisiana</u>			
Contractually Required Contribution	73,790	67,069	71,067
Contributions in Relation to the Contractually Required Contribution	<u>73,790</u>	<u>67,069</u>	<u>71,067</u>
Contribution Deficiency (Excess)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Employer's Covered-Employee Payroll	591,110	515,920	490,119
Contributions as a Percentage of Covered-Employee Payroll	12.48%	13.00%	14.50%

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

See Independent Auditors' Report.

- 43 -

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

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, 2017

AGENCY HEAD NAME/TITLE: ALANA COOPER, EXECUTIVE DIRECTOR

<u>Purpose</u>	<u>Amount</u>
Salary	118,395
Benefits-insurance	20,238
Benefits-retirement	14,799
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)	4,632
Per diem	-0-
Reimbursements	1,379
Travel	-0-
Registration fees	1,895
Conference travel	6,364
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



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

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

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, 2017, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated June 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 2017-001.

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 14, 2018

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, 2017

FINANCIAL STATEMENT FINDINGS

Internal Control

2017-001

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, 2017

FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

2017-001 (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, 2017

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

INTERNAL CONTROL FINDINGS

2017-001

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, 2017

INTERNAL CONTROL FINDINGS (Continued)

2017-001 (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, 2017

FINANCIAL STATEMENT FINDINGS - PRIOR YEAR ENDED DECEMBER 31, 2016

2016-001

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.

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



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

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 to December 31, 2017. The Bureau's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the Bureau's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts**, including receiving, recording, and preparing deposits.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: The Bureau does not have written policies that cover budgeting, purchasing, disbursements, receipts, payroll/personnel and travel and expense reimbursement or ethics.

The policies on credit cards do not address how cards are to be controlled, required approvals, or the monitoring process. The credit card policy does not address documentation requirements.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

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

b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Bureau's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

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

Findings: Eleven of twelve monthly board meetings did not reference monthly budget to actual comparisons.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Bank Reconciliations

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

Findings: We obtained the listing and management's representation.

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

a) Bank reconciliations have been prepared;

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

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

Findings: Bank reconciliations do not include evidence that a member of management or a board member has reviewed the bank reconciliations.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Collections

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

Findings: We obtained the listing and management's representation.

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

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

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

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using Bureau collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings: There is no written documentation or policies over depositing cash in bank, recording the transaction, reconciling the bank account, or whether cash drawers are shared with other employees.

There are no formal policies or written documentation that covers reconciling cash collections to the general ledger.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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

Findings: There is no written documentation on whether the Bureau has a process specifically defined to determine completeness of all collections, whether electronic transfers, for each revenue source and agency fund additions.

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

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

Findings: We obtained the general ledger and management's representation.

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

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

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

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

Findings: No exceptions noted.

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

Findings: There is no written documentation that addresses whether the person responsible for processing payments is prohibited from adding vendors to the Bureau's purchasing/disbursement system.

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

Findings: No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on

blank check stock, review Bureau documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: Unused checks are maintained in a locked safe with access by the Accountant and the Executive Director. The Executive Director also has check signing authority.

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

Findings: No signature stamp or signature machine is used by the Bureau. Signed checks are maintained under control of the check signer until mailed.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings: We obtained the listing and management's representation.

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

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

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

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

Findings: We noted one card was charged a \$2.00 finance fee for the period selected.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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

a) For each transaction, report whether the transaction is supported by:

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

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

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

Findings: No exceptions noted.

Travel and Expense Reimbursement

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

Findings: We obtained the general ledger and the Bureau's travel and related expense reimbursements. We obtained management's representation.

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

Findings: The Bureau's written policies did not address per diem and mileage rates.

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

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Bureau does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

b) Report whether each expense is supported by:

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

- c) Compare the Bureau's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

Contracts

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

Findings: We obtained the listing and management's representation.

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

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Bureau complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, obtain supporting contract documentation and report whether the Bureau solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings: The Board of Directors did not approve contracts selected.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings: There was no written approval of pay rates or written policies on pay increases.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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

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

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

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

Findings: No exceptions noted.

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

Findings: No exceptions noted.

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

Findings: One of twenty-seven 941 deposits was made late.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

Ethics (excluding nonprofits)

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

Findings: The employees had not completed the required ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the Bureau during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Bureau's

ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings: We noted that no alleged ethics violations were reported to the Bureau during the fiscal period.

Debt Service (excluding nonprofits)

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

Findings: We noted that no debt was issued during the fiscal period.

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

Findings: We noted that the Bureau did not have any outstanding debt during the fiscal period.

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

Findings: We noted that the Bureau does not have tax millages relating to debt service.

Other

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

Findings: We noted that there were no misappropriations of public funds or assets reported to the Bureau.

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

Findings: No exceptions noted.

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

Findings: We did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.

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

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

Johnson, Perry, Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 14, 2018