

**ST. MARY PARISH
TOURIST COMMISSION**
St. Mary Parish, Louisiana

Financial Report

Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. Mary Parish Tourist Commission
St. Mary Parish, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Parish Tourist Commission (hereinafter "Commission"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission'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.

Auditor's 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission'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 Commission'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of September 30, 2021, 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 budgetary comparison information 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 budgetary comparison information on pages 26-30 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of the Commission'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 solely 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 the effectiveness of the Commission's 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 Commission's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 28, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Net Position
September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 888,478
Investments	806,600
Receivables	759
Due from other governmental units	152,289
Prepaid expenses	12,491
Capital assets:	
Land and construction in progress	49,696
Other, net of accumulated depreciation	<u>5,185,164</u>
TOTAL ASSETS	<u>7,095,477</u>
LIABILITIES	
Accounts, salaries, and other payables	<u>24,307</u>
NET POSITION	
Net investment in capital assets	5,234,860
Restricted	711,162
Unrestricted	<u>1,125,148</u>
TOTAL NET POSITION	<u>\$ 7,071,170</u>

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

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Activities
Year Ended September 30, 2021

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Fees, Commissions, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Culture and tourism	\$ 699,563	\$ 6,497	\$ 337,966	\$ (355,100)
General revenues:				
Hotel-motel tax				572,646
Interest and investment earnings				620
Gain on sale of capital asset				40,868
PPP loan forgiveness				57,835
Total general revenues				671,969
Change in net position				316,869
Net position - October 1, 2020				6,754,301
Net position - September 30, 2021				\$ 7,071,170

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

FUND FINANCIAL STATEMENTS

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Balance Sheet
Governmental Funds
September 30, 2021

	General	Tourism and Economic Growth	Other Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and interest bearing deposits	\$ 335,083	\$ 527,900	\$ 25,495	\$ 888,478
Investments	629,918	176,675	7	806,600
Receivables	759	-	-	759
Due from other governments	152,289	-	-	152,289
Total assets	<u>\$1,118,049</u>	<u>\$ 704,575</u>	<u>\$ 25,502</u>	<u>\$ 1,848,126</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,392	\$ 18,915	\$ -	\$ 24,307
Fund balances:				
Restricted	-	685,660	25,502	711,162
Unassigned	1,112,657	-	-	1,112,657
Total fund balances	1,112,657	685,660	25,502	1,823,819
Total liabilities and fund balances	<u>\$1,118,049</u>	<u>\$ 704,575</u>	<u>\$ 25,502</u>	<u>\$ 1,848,126</u>

(continued)

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Balance Sheet (continued)
Governmental Funds
September 30, 2021

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

Total fund balances for governmental funds at September 30, 2021	\$ 1,823,819
Total net position reported for governmental activities in the statement of net position is different because:	
Cost of capital assets, net of accumulated depreciation	5,234,860
Prepaid expenses	<u>12,491</u>
Net position at September 30, 2021	<u>\$ 7,071,170</u>

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

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2021

	General	Tourism and Economic Growth	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources-				
Hotel/Motel tax	\$ 572,646	\$ -	\$ -	\$ 572,646
Intergovernmental	2,500	333,000	-	335,500
Interest income	279	341	-	620
Miscellaneous income	6,497	2,466	-	8,963
Total revenues	581,922	335,807	-	917,729
Expenditures:				
Current -				
Culture and tourism				
Advertising and promotion	169,033	48,744	-	217,777
Professional fees	14,488	-	-	14,488
Office expense	70,236	-	-	70,236
Repairs and maintenance	23,555	-	-	23,555
Salaries and related benefits	169,070	-	-	169,070
Travel and conventions	6,267	-	-	6,267
Utilities	24,776	-	-	24,776
Total expenditures	477,425	48,744	-	526,169
Excess of revenues over expenditures	104,497	287,063	-	391,560
Other financing sources (uses):				
PPP loan forgiveness	57,835	-	-	57,835
Sale of capital assets	224,000	-	-	224,000
Transfers in	98,000	-	-	98,000
Transfers out	-	(98,000)	-	(98,000)
Total other financing sources (uses)	379,835	(98,000)	-	281,835
Net change in fund balances	484,332	189,063	-	673,395
Fund balances, beginning	628,325	496,597	25,502	1,150,424
Fund balances, ending	\$ 1,112,657	\$ 685,660	\$ 25,502	\$ 1,823,819

(continued)

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Governmental Funds
Year Ended September 30, 2021

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

Total net changes in fund balance for the year ended September 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 673,395
The change in net position reported for governmental activities in the statement of activities is different because:	
The net effect of various miscellaneous transactions involving capital assets (i.e., dispositions)	(183,132)
Depreciation expense	(173,379)
Change in prepaid expense	<u>(15)</u>
Total changes in net position for the year ended September 30, 2021 per Statement of Activities	<u>\$ 316,869</u>

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

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The St. Mary Parish Tourist Commission (the Commission) was created and established on October 23, 1991 by Ordinance 1151 of the St. Mary Parish Council under authority of Act 19 of the Louisiana Legislature of 1975, to be effective February 1, 1992. The Commission is comprised of nine directors, appointed by the St. Mary Parish Council for terms of three years, with three appointments expiring each year, and who serve without compensation. The Commission was formed for the purpose of promoting tourism within the Parish of St. Mary. The Commission has the authority to sue and be sued, to accept grants or donations of every type, to make capital improvements for the purpose of obtaining federal funds, to do all things necessary for promotion, advertisement and publication of information relating to tourist attractions within its jurisdiction. Act 19 as amended, authorized the governing authority of St. Mary Parish to levy and collect a tax not to exceed 4% of the rent or fee for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Commission to fund the operations of the Commission.

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, the *Louisiana Governmental Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for the St. Mary Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the St. Mary Parish Council for financial reporting purposes. The St. Mary Parish Council appoints a voting majority of the Commission's governing body and can impose its will on the Commission. Based on criterion applied, the Commission is a component unit of the Parish of St. Mary. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the St. Mary Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity for St. Mary Parish, Louisiana.

The Commission has no entities or organizations that are required to be included in its financial report as defined by Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the Commission. The effect of interfund activity has been removed from these statements. Both the government-wide and the fund financial statement categorize primary activities as governmental.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Commission as a whole. These statements include all the financial activities of the Commission. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Commission, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Commission functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Commission or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The general fund and special revenue fund of the Commission are considered to be major funds. The funds of the Commission are described below:

Governmental Funds –

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

General Fund

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

Tourism and Economic Growth Special Revenue Fund

The Fund is used to account for the proceeds of specific revenue sources, the expenditures for which are legally restricted for purposes specified by law.

Economic Development Bonds, Debt Service Sinking Fund

The Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Economic Development Bonds, Capital Projects Fund

The Fund accounts for the resources to be used for the acquisition or construction of major capital facilities.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Hotel/Motel occupancy taxes are recognized in the year when the underlying exchange takes place. Grants and similar items are recognized as revenues in the year for which they are earned.

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 or as soon enough thereafter to pay liabilities for the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Hotel/Motel tax revenue is recognized both when the underlying exchange takes place and in the accounting period in which the revenue becomes susceptible to accrual, when it is measurable and available. Interest income is recorded when received by the Commission.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

D. Capital Assets

All capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Building Improvements	20 years
Office Equipment	7 years
Furniture and fixtures	7 years
Machinery & Equipment	5 years
Computers	3 years

E. Interfund Transfers

Permanent allocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between governmental funds have been eliminated.

F. Vacation and Sick Leave

Vacation is provided to all full-time employees and is earned based on length of service. Employees with one to five years of service earn two calendar weeks (ten working days). Employees with six to fifteen years of service earn three calendar weeks (fifteen working days). Employees with sixteen or more years of service earn four calendar weeks (twenty working days). Vacation is recorded as an expenditure of the period in which it is paid. It is the policy of the Commission to allow full-time employees no more than five unused vacation days to be carried over to the following calendar year or to be paid in full at the end of that calendar year. At September 30, 2021, unrecorded liability for accumulated vacation is immaterial. Upon termination, an employee will be paid for any unused accumulated vacation leave. The Commission allows employees to accumulate unused sick leave benefits. Sick leave is not payable at termination of employment.

G. Interest-Bearing Deposits

Interest bearing deposits include demand deposits, money market accounts and time deposits, which are stated at cost.

H. Investments

Under state law, the Commission may invest in Louisiana Asset Management Pool (LAMP), United States bonds, treasury notes, or certificates. Investments are valued in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

I. Equity Classifications

Government-wide financial statements

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

1. Net investment in capital assets - consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund financial statements

Fund balance for the Commission's governmental funds is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Commission. Commitments may be established, modified, or rescinded only through formal actions of the Board of Commissioners.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission's policy, only the Board of Commissioners may assign amounts for specific purposes.
5. Unassigned - amounts that are available for any purpose.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

(2) Cash and Interest-bearing Deposits

Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Commission may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. September 30, 2021, the Commission has cash and interest-bearing deposits (book balances) totaling \$888,478 as follows:

Cash on hand	\$ 100
Demand deposits	848,976
Interest-bearing deposits	<u>39,402</u>
Total	<u>\$ 888,478</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2021, deposit balances (bank balances) totaling \$890,792 are secured as follows:

Federal deposit insurance	\$ 289,402
Pledged securities	<u>601,390</u>
Total	<u>\$ 890,792</u>

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Commission's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The Commission does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At September 30, 2021, deposits in the amount of \$601,390 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not the Commission's name.

(3) Investments

Investments held at September 30, 2021 consist of \$806,600 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statements No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investments pools:

Credit risk – LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign currency risk – not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

Fair Value Measurements

To the extent available, the Commission's investments are recorded at fair value as of September 30, 2021. GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Commission measures and records its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1 — quoted prices for identical investments in active markets
- Level 2 — observable inputs other than quoted market prices
- Level 3 — unobservable inputs

The Commission's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

(4) Due from Other Governmental Units

Hotel/Motel tax revenues and receivables are recognized when the underlying exchange (room rental) takes place. Amounts due from other governments at September 30, 2021 are recognized by the General Fund as follows:

Due from St. Mary Parish Sales and Use Tax Dept	<u>\$ 152,289</u>
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ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(5) Capital Assets

Capital assets and depreciation activity as of and for the year ended September 30, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 135,163	\$ -	\$ 85,467	\$ 49,696
Capital assets being depreciated:				
Buildings	6,214,709	-	261,419	5,953,290
Improvements other than buildings	275,265	-	-	275,265
Furniture and office equipment	101,297	-	40,686	60,611
Exhibits and kiosks	19,809	-	-	19,809
Total being depreciated	<u>6,611,080</u>	<u>-</u>	<u>302,105</u>	<u>6,308,975</u>
Less accumulated depreciation:				
Buildings	(971,543)	(149,593)	(165,900)	(955,236)
Improvements other than buildings	(88,647)	(18,032)	-	(106,679)
Furniture and office equipment	(81,806)	(4,764)	(38,540)	(48,030)
Exhibits and kiosks	(12,876)	(990)	-	(13,866)
Total accumulated depreciation	<u>(1,154,872)</u>	<u>(173,379)</u>	<u>(204,440)</u>	<u>(1,123,811)</u>
Capital assets, net	<u>\$ 5,591,371</u>	<u>\$ (173,379)</u>	<u>\$ 183,132</u>	<u>\$ 5,234,860</u>

Depreciation expense in the amount of \$173,379 was charged to culture and tourism.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(6) Interfund Activity

	Transfers in	Transfers out
Tourism and Economic Growth Fund	-	\$ 98,000
General Fund	98,000	-
Total	\$ 98,000	\$ 98,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(7) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The Commission has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2021. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(8) Retirement Plan

All Commission employees are covered under the Federal Insurance Contribution Act (Social Security). In addition, qualified employees also belong to a SEP/IRA Retirement Plan. The Commission contributed 10% of the gross wages of each qualified employee to their individual SEP/IRA Retirement Plan account for the year ended September 30, 2021. The Commission's contributions to the above plans totaled approximately \$11,710, \$16,316, and \$15,576 for the years ended September 30, 2021, 2020, and 2019, respectively. There were no unfunded contributions at year-end.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(9) Paycheck Protection Program Loan

During the year ended September 30, 2021, the Commission entered into the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) to supplement the costs of employees' salaries and other operating expenses. The Commission received loan proceeds of \$57,835 which carried an interest rate of 1% and set to mature on February 22, 2026. Under the terms of the PPP, all or a portion of the proceeds may be forgiven if certain criteria are met. The Commission's request for total forgiveness was approved in July 2021. These funds are reported as other financing sources on the statement of revenues, expenditures, and changes in fund balances, and general revenues in the statement of activities.

(10) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds are presented as follows:

	<u>General</u>	<u>Tourism and Economic Growth</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for -				
Culture and tourism	-	685,660	-	685,660
Debt service	-	-	2,642	2,642
Capital projects	-	-	22,860	22,860
	<u>-</u>	<u>685,660</u>	<u>25,502</u>	<u>711,162</u>
Unassigned	<u>1,112,657</u>	<u>-</u>	<u>-</u>	<u>1,112,657</u>
Total fund balances	<u>\$ 1,112,657</u>	<u>\$ 685,660</u>	<u>\$ 25,502</u>	<u>\$ 1,823,819</u>

(11) State Appropriated Monies

As provided by the Louisiana Revised Statute 47:302.44 and 47:301(14) (a), the Louisiana State Treasury has created the St. Mary Parish Visitor Enterprise Fund. This fund shall be funded from the excess of sales taxes generated from the hotel/motel industry after all bond obligations of the State have been paid.

The monies in the St. Mary Parish Visitor Enterprise Fund shall be subject to an annual appropriation by the legislature and shall be available exclusively for use by the Commission to fund the development of tourism and other economic growth projects within the parish of St. Mary. All unexpended and unencumbered monies in the fund shall remain in the fund. The monies in the fund shall be invested by

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

the state treasurer in the same manner as the monies in the State of Louisiana general fund, and all interest earned shall be deposited into the state general fund.

For the state fiscal year June 30, 2020, the legislature approved appropriations to the Commission for the St. Mary Parish Visitor Enterprise Fund and other appropriations related to tourism in St. Mary Parish. As of the fiscal year ended September 30, 2021, the Commission received \$333,000 from the State of Louisiana related to these appropriations. The Board of Commissioners has developed guidelines to administer the spending of these funds by the Commission in accordance with the restricted purposes as specified by law. The Commission is accounting for these funds in a special revenue fund.

(12) Compensation of Board Members

Board members during the year ended September 30, 2021 served without compensation and are as follows:

Kimberly Walden, Chair
Sandra Marshall, Vice Chair
Herman Hartman, Secretary
Nelson Cortez, Treasurer
Dwight Smith
Albert Kuhlman
Donovan Garcia
Ed Verdin
Patsy Powell

(13) Compensation and Other Payments to Executive Director

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Expenses paid to Carrie Stansbury, Executive Director, for the year ended September 30, 2021, are as follows:

Salary	\$	55,500
Benefits-insurance		10,142
Benefits-retirement		5,550
Benefits-AFLAC		489
Car allowance		1,181
Cell phone and data		840
Reimbursements		42
Total	\$	<u>73,744</u>

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Financial Statements (continued)

(14) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements:

GASB Statement No. 87, *Leases*

The Statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2021. GASBS No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed this statement by 18 months. The effect of implementation on the Commission's financial statements has not yet been determined.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangement*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset— and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions of GASB Statement No. 96 are effective for fiscal years beginning after June 15, 2022. The effect of implementation on the Commission's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual (Non-GAAP Basis)</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Local Sources-				
Expeditions and tours	\$ 12,000	\$ -	\$ -	\$ -
Hotel/Motel tax	360,000	507,761	507,595	(166)
Intergovernmental	27,000	100,500	2,500	(98,000)
Interest income	684	265	279	14
Miscellaneous income	600	63,094	6,497	(56,597)
Total revenues	<u>400,284</u>	<u>671,620</u>	<u>516,871</u>	<u>(154,749)</u>
Expenditures:				
Current -				
Culture and tourism				
Advertising and promotion	123,900	170,350	169,033	1,317
Professional fees	17,070	14,490	14,488	2
Office expense	92,847	73,600	72,243	1,357
Repairs and maintenance	26,646	23,500	23,555	(55)
Salaries and related benefits	168,308	175,268	173,122	2,146
Travel and conventions	6,000	8,150	6,267	1,883
Utilities	24,840	26,180	26,123	57
Total expenditures	<u>462,811</u>	<u>491,538</u>	<u>484,831</u>	<u>6,707</u>
Excess of revenues over expenditures	<u>(62,527)</u>	<u>180,082</u>	<u>32,040</u>	<u>(148,042)</u>
Other financing sources:				
PPP loan forgiveness	-	-	57,835	57,835
Sale of capital assets	-	224,000	224,000	-
Operating transfers in	62,527	-	98,000	98,000
Total other financing sources	<u>62,527</u>	<u>224,000</u>	<u>379,835</u>	<u>155,835</u>
Net change in fund balances	-	404,082	411,875	7,793
Fund balance, beginning	<u>601,010</u>	<u>601,010</u>	<u>601,010</u>	<u>-</u>
Fund balance, ending	<u>\$ 601,010</u>	<u>\$ 1,005,092</u>	<u>\$ 1,012,885</u>	<u>\$ 7,793</u>

See accompanying notes to Budgetary Comparison Schedules.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Budgetary Comparison Schedule
Tourism and Economic Growth Fund
Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual (Non-GAAP Basis)</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Local Sources-				
Intergovernmental	\$ 235,000	\$ 333,000	\$ 333,000	\$ -
Interest income	660	301	341	40
Miscellaneous income	<u>34,169</u>	<u>-</u>	<u>2,466</u>	<u>2,466</u>
Total revenues	269,829	333,301	335,807	2,506
Expenditures:				
Current -				
Culture and tourism				
Advertising and promotion	<u>269,829</u>	<u>129,094</u>	<u>31,094</u>	<u>98,000</u>
Excess of revenues over expenditures	-	204,207	304,713	100,506
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(98,000)</u>	<u>(98,000)</u>
Net change in fund balances	-	204,207	206,713	2,506
Fund balance, beginning	<u>458,846</u>	<u>458,846</u>	<u>458,846</u>	<u>-</u>
Fund balance, ending	<u>\$ 458,846</u>	<u>\$ 663,053</u>	<u>\$ 665,559</u>	<u>\$ 2,506</u>

See accompanying notes to Budgetary Comparison Schedules.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Budgetary Comparison Schedules

(1) Basis of Accounting

The budgets are not adopted on a basis consistent with generally accepted accounting principles in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the board of commissioners.

(2) Budgets and Budgetary Accounting

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Executive Director of the Commission prepares a proposed budget for the general and special revenue funds and submits them to the board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. The Commission approves and adopts total budget revenue and expenditures only. The Commission transfers budget amounts between expenditure classifications within the General and Special Revenue Funds.
5. All budgetary appropriations lapse at the end of each fiscal year.

(3) Non-GAAP Reporting Reconciliation

Budgetary amounts are adopted by the Commission on the cash basis.

Actual amounts are reconciled on a non-GAAP basis for comparison to budget as follows:

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Budgetary Comparison Schedules (continued)

General Fund-

	<u>As Reported</u>	<u>Adjustment to Budgetary Basis</u>	<u>Non-GAAP Basis</u>
Revenues:			
Local Sources-			
Hotel/Motel tax	\$ 572,646	\$ (65,051)	\$ 507,595
Intergovernmental	2,500	-	2,500
Interest income	279	-	279
Miscellaneous income	6,497	-	6,497
Total revenues	<u>\$ 581,922</u>	<u>\$ (65,051)</u>	<u>\$ 516,871</u>
Expenditures:			
Current -			
Culture and tourism			
Advertising and promotion	\$ 169,033	\$ -	\$ 169,033
Professional fees	14,488	-	14,488
Office expense	70,236	2,007	72,243
Repairs and maintenance	23,555	-	23,555
Salaries and related benefits	169,070	4,052	173,122
Travel and conventions	6,267	-	6,267
Utilities	24,776	1,347	26,123
Total expenditures	<u>\$ 477,425</u>	<u>\$ 7,406</u>	<u>\$ 484,831</u>

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Notes to Budgetary Comparison Schedules (continued)

Tourism and Economic Growth Fund-

	<u>As Reported</u>	<u>Adjustment to Budgetary Basis</u>	<u>Non-GAAP Basis</u>
Revenues:			
Local Sources-			
Intergovernmental	\$ 333,000	\$ -	\$ 333,000
Interest income	341	-	341
Miscellaneous income	<u>2,466</u>	<u>-</u>	<u>2,466</u>
Total revenues	<u>\$ 335,807</u>	<u>\$ -</u>	<u>\$ 335,807</u>
Expenditures:			
Current -			
Culture and tourism			
Advertising and promotion	<u>\$ 48,744</u>	<u>\$ (17,650)</u>	<u>\$ 31,094</u>

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
St. Mary Parish Tourist Commission
St. Mary Parish, 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 governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Parish Tourist Commission (the Commission), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2021-001 and 2021-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 financial statements. 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*.

Commission's Response to Findings

The Commission's responses to the findings identified in our audit are included in the accompanying corrective action plan for current audit findings. The Commission's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 28, 2022

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2021

A. Internal Control -

2020-001 – Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CURRENT STATUS: See schedule of audit results and findings item 2021-001.

2020-002 – Financial Reporting (Application of Generally Accepted Accounting Principles)

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

CURRENT STATUS: See schedule of audit results and findings item 2021-002.

B. Compliance -

No findings were reported under this section.

C. OMB Uniform Guidance –

No findings were reported under this section.

D. Management Letter –

Not issued in prior period.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Schedule of Audit Results and Findings
Year Ended September 30, 2021

Part I. Summary of Audit Results

Financial Statements

1. Type of auditor's report issued on financial statements:

Opinion Unit	Type of Opinion
Governmental activities	Unmodified
Major funds:	
General	Unmodified
Tourism and Economic Growth	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	✓	yes	_____	no
Significant deficiency(ies) identified?	_____	yes	_____	✓ none reported

3. Noncompliance material to the financial statements?

_____	yes	_____	✓	no
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Other

4. Management letter issued?

_____	yes	_____	✓	no
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ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended September 30, 2021

Part II. Findings required to be reported in accordance with *Government Auditing Standards*

A. Internal Control -

2021-001 – Inadequate Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Commission’s internal control over financial reporting includes those policies and procedures that pertain to the Commission’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended September 30, 2021

2021-002 – Financial Reporting (Application of Generally Accepted Accounting Principles)

Year Initially Occurring: September 30, 2012

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

CRITERIA: The Commission's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements and to apply GAAP in the preparation of those financial statements and related disclosures.

CAUSE: The condition results from the relatively small size of the Commission and the increased costs of hiring personnel to prepare GAAP-based financial statements.

EFFECT: GAAP-based financial statements, as applicable to governmental entities, are not prepared by the Commission.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

B. Compliance -

No findings are reported under this section.

Part III: Findings and questioned costs for federal awards reported in accordance with the Uniform Guidance

The requirements of the Uniform Guidance are not applicable.

ST. MARY PARISH TOURIST COMMISSION
St. Mary Parish, Louisiana

Corrective Action Plan for Current Audit Findings
Year Ended September 30, 2021

2021-001 - Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Due to the size of the operation and the cost-benefit of additional personnel, we were advised that a response to this issue is not required.

2021-002 - Financial Reporting (Application of Generally Accepted Accounting Principles)

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

MANAGEMENT'S RESPONSE: The Board of Commissioners continues to evaluate the cost-benefit of outsourcing the preparation of the Commission's financial statements to its independent auditors rather than incur the costs to employ someone to prepare GAAP-based financial statements and have determined that it would be more cost effective to outsource the preparation of the Commission's financial statements. We will review the financial statements and related notes prior to accepting responsibility for their presentation and content.