

**WEST BATON ROUGE CONVENTION &  
VISITORS BUREAU  
PORT ALLEN, LOUISIANA**

**FINANCIAL REPORT**

**December 31, 2021**

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# WEST BATON ROUGE CONVENTION & VISITORS BUREAU

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*December 31, 2021*

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## **INDEPENDENT AUDITOR'S REPORT**

Chairman and Members of the Board  
West Baton Rouge Convention and Visitors Bureau  
Port Allen, Louisiana

### ***Opinion***

We have audited the financial statements of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau as of December 31, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis of Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Baton Rouge Convention and Visitors Bureau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Baton Rouge Convention and Visitors Bureau's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 West Baton Rouge Convention and Visitors Bureau 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Baton Rouge Convention and Visitors Bureau's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Baton Rouge Convention and Visitors Bureau's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented to comply with the requirements issued by the State of Louisiana and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022 on our consideration of the West Baton Rouge Convention and Visitors 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 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 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 West Baton Rouge Convention and Visitors Bureau’s internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 13, 2022

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis**

The Management's Discussion and Analysis of the West Baton Rouge Convention and Visitors Bureau (the Convention and Visitors Bureau) financial performance presents a narrative overview and analysis of the Convention and Visitors Bureau's financial activities for the year ended December 31, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the additional information contained in the Convention and Visitors Bureau's financial statements, which begins on page 10.

***FINANCIAL HIGHLIGHTS***

The Convention and Visitors Bureau's total net position increased by \$602,280 or 19.4%.

The operating revenues of the Convention and Visitors Bureau increased \$430,283 or 36.2%.

The operating expenses of the Convention and Visitors Bureau increased \$68,009 or 7.2%.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

This Management Discussion and Analysis document introduces the Convention and Visitors Bureau's basic financial statements. The basic financial statements include: (1) government-wide financial statements, and fund financial statements, and (2) notes to the basic financial statements. The Convention and Visitors Bureau also includes in this report additional information to supplement the basic financial statements, such as required supplementary information. Comparative data is presented when available.

***Government-wide Financial Statements***

The Convention & Visitors Bureau's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Convention & Visitors Bureau's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis, continued**

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Convention & Visitors Bureau's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Convention & Visitors Bureau as a whole is improving or deteriorating. Evaluation of the overall health of the Convention & Visitors Bureau would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities and Changes in Net Position which reports how the Convention & Visitors Bureau's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when the Convention & Visitors Bureau receives or pays cash. An important purpose of the design of the statement of activities is to show the financial reliance of the Convention & Visitors Bureau's distinct activities or functions on revenues provided by the Convention & Visitors Bureau's taxpayers.

The government-wide financial statements are presented along with fund financial statements on statements A and B of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Convention & Visitors Bureau uses two funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Convention & Visitors Bureau's general fund and one special revenue funds. All funds are governmental fund types.

The Convention & Visitors Bureau uses only one fund type:

The Governmental funds are reported in the fund financial statements and encompasses the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Convention & Visitors Bureau's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis, continued**

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental funds financial statements are presented on statements A and B of this report along with the government-wide financial statements.

**Notes to the Basic Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the financial statements.

***FINANCIAL ANALYSIS OF THE CONVENTION & VISITORS BUREAU AS A WHOLE***

	2021	2020
Current assets	\$ 3,038,106	\$ 1,491,155
Capital assets	1,716,961	1,776,380
Total assets	<u>4,755,067</u>	<u>3,267,535</u>
Current liabilities	962,183	54,992
Noncurrent liabilities	91,858	113,797
Total liabilities	<u>1,054,041</u>	<u>168,789</u>
Net investment in capital assets	1,633,961	1,667,380
Restricted, as restated	1,582,730	1,037,975
Unrestricted, as restated	484,335	393,391
Total net position, as restated	<u>\$ 3,701,026</u>	<u>\$ 3,098,746</u>

The Convention & Visitors Bureau continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities at December 31, 2021 is approximately 3.2 to 1.

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis, continued**

The Convention & Visitors Bureau reported a positive balance in net position for its governmental activities. Note that approximately 44% of the governmental activities net position at December 31, 2021 consist of capital assets. The Convention & Visitors Bureau uses these capital assets to provide services to its citizens and tourists visiting the parish.

The following data is presented on the accrual basis of accounting which means that all costs are presented; however, the purchase of capital assets is not included but depreciation on the capital assets is included.

The following table provided a summary of the Convention & Visitors Bureau's changes in net position:

	2021	2020
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 71,783	\$ 86,722
Operating grants and contributions	27,680	-
General Revenues		
Hotel-motel tax	814,433	583,334
Sales tax rebate	619,372	481,560
Grants and other income	83,610	28,856
Interest income	1,540	7,663
Total revenues	<u>1,618,418</u>	<u>1,188,135</u>
<b>Expenses</b>		
General government	992,869	908,041
Intergovernmental	20,000	36,051
Interest expense	3,269	4,037
Total expenses	<u>1,016,138</u>	<u>948,129</u>
<b>Increase(decrease) before other financing sources</b>	<u>602,280</u>	<u>240,006</u>
Other financing source (uses)	-	(21,777)
<b>Change in net position</b>	<u>602,280</u>	<u>218,229</u>
<b>Net position - beginning</b>	<u>3,098,746</u>	<u>2,880,517</u>
<b>Net position - ending</b>	<u>\$ 3,701,026</u>	<u>\$ 3,098,746</u>

**Governmental Revenue**

The Convention & Visitors Bureau is heavily reliant on hotel-motel tax and the state sales tax rebate to support its operations. Hotel-motel taxes and state sales tax rebate provided 88.6% in 2021 and 89.6% in

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis, continued**

2020 of the Convention & Visitors Bureau's total revenues. Because of the Convention & Visitors Bureau's healthy financial position, we have been able to earn interest income of \$1,540 in 2021 and \$7,663 in 2020 to support our activities. Also, note that in 2021 charges for services covered only 7.1% of governmental operating expenses and only 9.1% in 2020. This means that the Convention & Visitors Bureau's taxpayers and the Convention & Visitors Bureau's other general revenues fund a significant portion of the Convention & Visitors Bureau's activities. As a result, the general economy and local businesses have a major impact on the Convention & Visitors Bureau's revenue streams.

**Governmental Functional Expenses**

Salaries and related expenses comprised 37.1% in 2021 and 38.9% in 2020 of total expenses. Operating services, materials and supplies made up 52.1% in 2021 and 47.7% in 2020 the total expenses.

**Financial Analysis of the Convention & Visitors Bureau's Governmental Funds**

The General Fund is the Convention & Visitors Bureau's operating fund and along with the Special Revenue Funds are the sources of day-to-day service delivery. As discussed, the General and Special Revenue Funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. Remember the data presented in the fund financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and no depreciation on these capital assets is reported as an expenditure in the same year.

- The General Fund is the main operating account of the Bureau. At the end of the fiscal year, the fund balance of the General Fund was \$515,046, which \$508,454 is unassigned and available for spending and \$6,592 is non-spendable for prepaid expenses.
- The Special Revenue Fund "Enterprise" accounts for all receipts and expenditures of funds received from the sales tax rebate to be used exclusively for the planning, development, or capital improvements of tourism sites in West Baton Rouge Parish. At the end of the current fiscal year, the fund balance of this fund was \$1,587,878, of which \$1,584,378 is restricted and \$3,500 is non-spendable for prepaid expenses.

**General Fund Budgetary Highlights**

At year-end, the Convention & Visitors Bureau realized 134.0% of our final budget revenue and total expenditures were 72.8% of budgeted amounts. Variances between actual budget results and final budgeted amounts were primarily due to COVID-19. Final budgeted revenues were \$43,500 (5.5%) higher than original budgeted amounts due to higher-than-expected maintenance and repairs, accounting fees, and salaries and wages.

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis, continued**

***CAPITAL ASSETS AND DEBTS***

**Capital Assets**

The Convention and Visitors Bureau's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2021 was \$1,716,961 compared to \$1,776,380 at December 31, 2020. In 2021 depreciation expense was \$86,160 compared to \$87,129 at December 31, 2020.

See Note 4 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Depreciable assets	\$ 1,584,976	\$ 1,558,236
Less accumulated Depreciation	(702,071)	(615,912)
Land	834,056	834,056
Book value-depreciable assets	<u>\$ 1,716,961</u>	<u>\$ 1,776,380</u>

**Long-term Debt**

The Convention and Visitors Bureau may issue general obligation debt to meet its capital needs. During the current year the Convention and Visitors Bureau retired \$26,000 of bonds that were issued to fund renovation of the convention facilities. See note 5 to the financial statements for a discussion and analysis of long-term debt.

***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS***

Generally, the outlook for 2022 is favorable. The impact on projected hotel-motel tax and state sales tax rebate revenue should be close to budgeted amount for 2022. Hotel-motel tax for the year 2022 shows an approximate 30% increase from this point year-to-date compared to 2021 at this same time. State sales tax rebate revenue is approximate 45% of budgeted amount as of the end of May 2022. Wages and salaries are only at 31.4% of budgeted amounts as of June 8, 2022. Business is returning to normal, and office is operating with a smaller staff and outsourced accounting has helped. The Bureau has only expended 39% of budget for expenditures as of the end of May 2022.

**WEST BATON ROUGE CONVENTION AND VISITORS BUREAU**  
**Port Allen, Louisiana**

**Management's Discussion and Analysis, continued**

***CONTACTING THE CONVENTION AND VISITORS BUREAU'S MANAGEMENT***

This financial report is designed to provide a general overview of the Convention and Visitors Bureau's finances, comply with finance-related laws and regulations, and to demonstrate the Convention and Visitors Bureau's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the West Baton Rouge Convention and Visitors Bureau, 2750 N. Westport Drive, Port Allen, LA 70767.

**WEST BATON ROUGE CONVENTION & VISITORS BUREAU****Statement of Net Position and  
Governmental Funds Balance Sheet**

December 31, 2021

	General Fund	SRF Enterprise Fund	Total	Adjustments	Statement of Position
<b>ASSETS</b>					
Cash and cash equivalents	\$ 258,997	\$ 446,031	\$ 705,028	\$ -	\$ 705,028
Accounts receivable	2,158	12,185	14,343	-	14,343
Investments - LAMP	174,561	1,150,608	1,325,169	-	1,325,169
Hotel-Motel tax receivable	78,344	-	78,344	-	78,344
Prepaid expenses	6,592	3,500	10,092	-	10,092
Interfund receivables	10,926	6,153	17,079	(17,079)	-
Restricted cash & cash equivalents	-	905,130	905,130	-	905,130
Capital assets, net of accumulated depreciation	-	-	-	882,905	882,905
Capital assets, not being depreciated					
Land	-	-	-	834,056	834,056
<b>Total Assets</b>	<b>531,578</b>	<b>2,523,607</b>	<b>3,055,185</b>	<b>1,699,882</b>	<b>4,755,067</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	10,379	19,673	30,052	-	30,052
Unearned revenues	-	905,130	905,130	-	905,130
Interfund payables	6,153	10,926	17,079	(17,079)	-
Long-term liabilities					
Due within one year	-	-	-	27,000	27,000
Due after one year	-	-	-	56,000	56,000
Compensated Absences	-	-	-	35,859	35,859
<b>Total Liabilities</b>	<b>16,532</b>	<b>935,729</b>	<b>952,261</b>	<b>101,780</b>	<b>1,054,041</b>
<b>FUND BALANCE/NET POSITION</b>					
<b>Fund Balance:</b>					
Restricted					
Tourist promotion	-	1,584,378	1,584,378	(1,584,378)	
Nonspendable					
Prepaid expenses	6,592	3,500	10,092	(10,092)	
Unassigned	508,454	-	508,454	(508,454)	
<b>Total fund balances</b>	<b>\$ 515,046</b>	<b>\$ 1,587,878</b>	<b>\$ 2,102,924</b>		
<b>Total liabilities and fund balances</b>					
<b>Net Position:</b>					
Invested in capital assets net of related debt				1,633,961	1,633,961
Restricted - Enterprise Fund				1,582,730	1,582,730
Unrestricted				484,335	484,335
<b>Total Net Position</b>					<b>\$ 3,701,026</b>

**WEST BATON ROUGE CONVENTION & VISITORS  
BUREAU**

Statement B

Statement of Activities and Governmental Fund Revenues,  
Expenditures and Changes in Fund Balance/Net Position

Year Ended December 31, 2021

	General Fund	SRF Enterprise Fund	Total	Adjustments	Statement of Activities
<b>Expenditures/expenses</b>					
General government					
Advertising and marketing	\$ 9,200	\$ 178,258	\$ 187,458	\$ -	\$ 187,458
Bank charges	1,757	574	2,331	-	2,331
Catering expenses	28,924	-	28,924	-	28,924
Depreciation	-	-	-	86,160	86,160
Maintenance, repairs and security	74,379	25,339	99,718	-	99,718
Office, supplies and postage	16,294	84,575	100,869	-	100,869
Professional fees	49,522	-	49,522	-	49,522
Insurance	20,730	-	20,730	-	20,730
Salaries, wages and related expenses	372,178	-	372,178	5,060	377,238
Utilities & telephone	39,919	-	39,919	-	39,919
Intergovernmental	-	20,000	20,000	-	20,000
Capital outlays	3,540	23,200	26,740	(26,740)	-
Debt service					
Principal	-	26,000	26,000	(26,000)	-
Interest	-	3,269	3,269	-	3,269
<b>Total Expenditures/Expenses</b>	<b>616,443</b>	<b>361,215</b>	<b>977,658</b>	<b>38,480</b>	<b>1,016,138</b>
<b>Revenues</b>					
Program Revenues					
Conference center	59,172	-	59,172	-	59,172
Special events	200	12,411	12,611	-	12,611
Operating grants and contributions	-	27,680	27,680	-	27,680
<b>Expenditures/Expenses Net     of Program Revenues</b>	<b>(557,071)</b>	<b>(321,124)</b>	<b>(878,195)</b>	<b>(38,480)</b>	<b>(916,675)</b>
General Revenue					
Hotel-Motel tax	814,433	-	814,433	-	814,433
From the State:					
Sales tax rebate	-	619,372	619,372	-	619,372
Interest income	303	1,237	1,540	-	1,540
Grants and other income	4,097	79,513	83,610	-	83,610
<b>Total General Revenues</b>	<b>818,833</b>	<b>700,122</b>	<b>1,518,955</b>	<b>-</b>	<b>1,518,955</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>261,762</b>	<b>378,998</b>	<b>640,760</b>	<b>(38,480)</b>	<b>602,280</b>
<b>Other Financing Sources (Uses)</b>					
Loss on disposition of asset	-	-	-	-	-
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>261,762</b>	<b>378,998</b>	<b>640,760</b>	<b>(38,480)</b>	<b>602,280</b>
<b>Total Fund Balance/Net Position, Beginning, As Restated</b>	<b>253,284</b>	<b>1,208,880</b>	<b>1,462,164</b>	<b>-</b>	<b>3,098,746</b>
<b>Total Fund Balance/Net Position, Ending</b>	<b>\$ 515,046</b>	<b>\$ 1,587,878</b>	<b>\$ 2,102,924</b>	<b>\$ (38,480)</b>	<b>\$ 3,701,026</b>

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# WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to Financial Statements*

*December 31, 2021*

## INTRODUCTION

The West Baton Rouge Convention & Visitors Bureau was established May 12, 1977 as the West Baton Rouge Tourist Commission for the purpose of developing and carrying out programs designed to promote tourism in the area of West Baton Rouge Parish as provided for by Louisiana Revised Statutes 33:4574, et seq. The Commission's name was changed to the West Baton Rouge Convention & Visitors Bureau in 2007.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation.** The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. The principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

**Reporting Entity.** GASB Codification Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the West Baton Rouge Convention & Visitors Bureau includes all funds, account groups, et cetera, that are within the oversight responsibility of the Convention & Visitors Bureau. Based on the criteria set forth in GASB Codification Section 2100, the Convention & Visitors Bureau is a component unit of the West Baton Rouge Council because the Bureau is fiscally dependent on the Parish Council. The accompanying financial statements present information only as to the transactions and the activities of the Convention and Visitors Bureau.

**Date of Management's Review.** Management has evaluated subsequent events through June 13, 2022, the date on which financial statements were available to be issued.

**Fund Accounting.** The accounts of the West Baton Rouge Convention & Visitors Bureau are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

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# WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

## ***Governmental Funds:***

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

**Special Revenue Fund "Enterprise"** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose other than debt services or capital projects. The Bureau accounts for the State Sales Tax Rebate it receives in its Special Revenue Funds (See Note 2).

**Basis of Accounting.** The Statement of Net Position (statement A) and Statement of Activities (statement B) display information about the Convention & Visitors Bureau as a whole. These statements include all the financial activities of the Convention & Visitors Bureau. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

The Convention and Visitors Bureau uses the following practices in recording revenues and expenses:

**Program Revenues.** Program revenues included in the Statement of activities (statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Convention & Visitors Bureau's general revenues.

## ***Fund Equity:***

### **Equity Classifications.**

#### **Government-Wide Financial Statements.**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Consists of net position with constraints placed on the use either by:

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

1. External groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
  2. Law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

### ***Fund Financial Statements (FFS):***

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

The Convention and Visitors Bureau adopted GASB Statement 54 (GASB Codification Section 1300, Fund Accounting) in the year ended December 31, 2013. As such, fund balances of the governmental fund are classified as follows:

**Non-spendable.** Amount that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**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.

**Committed.** Amounts that can be used only for specific purposes determined by a formal decision of the Convention and Visitors Bureau Board of Governors. The Board of Governors is the highest level of decision-making authority for the Visitors and Convention Bureau.

**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.

**Unassigned.** All other spendable amounts.

The Board of Governors is the highest level of decision making authority for the West Baton Rouge Convention and Visitors Bureau. The Council would have to approve a resolution to approve or change any previously approved commitment of fund balance. The Board of Governors is also authorized to approve assigned fund balances. It is the Convention and Visitors Bureau's policy to spend restricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the Convention and Visitors Bureau's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

The West Baton Rouge Convention and Visitors Bureau does not have any policy regarding minimum fund balance amounts. The Board of Governors has authorized the executive director of West Baton Rouge Convention and Visitors Bureau to make fund balance assignments in accordance with GASB Statement 54.

The amounts reflected in the Governmental Fund Statements (statements A and B) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of the current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Convention & Visitors Bureau's operations.

The amounts reflected in the Governmental Fund Statements (statements A and B) use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when related fund liability is incurred and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues.** Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

**Transfers.** Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

**Budgets and Budgetary Accounting.** The Convention & Visitors Bureau followed these procedures in establishing the budget reflected in these financial statements:

1. The Convention & Visitors Bureau Executive Director and its Conference Center Coordinator prepare a proposed budget and submit it to the treasurer. After examination by the treasurer, the budget is submitted to the Convention & Visitors Bureau's Board of Governors for approval. After approval by the Convention & Visitors Bureau, the budget is submitted to the West Baton Rouge Parish Council. The Parish Council incorporates the Convention & Visitors Bureau Budget into the Parish Council Budget. The Convention & Visitors Bureau Budget is submitted to the Parish Council to allow enough time for the formal budget process followed by the Council to be completed. The Parish Council complies with the State Budget Law.
2. Budgetary amendments involving the transfer of funds from one program or function to another require the approval of the Convention & Visitors Bureau.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are presented on the modified accrual basis of accounting.

**Fair Value Measurements.** In accordance with the provisions of Governmental Accounting Standards Board Statement No. 72, Fair Value Application and Measurement, all investments are reported at fair value with gains and losses included in the statement of revenues and expenditures.

The Bureau categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quotes prices for identical assets or liabilities in active markets that the Bureau has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quotes prices for identical or similar assets in inactive markets;
- Inputs other than quotes prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

**Cash.** Cash includes amounts in demand deposits as well as short term certificates with maturity dates within 90 days of the date acquired by the government. These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of December 31, 2021, the Bureau has deposits totaling \$1,603,568 (book balances). \$1,374,423 of the Bureau's \$1,624,423 in deposits (collected bank balances) was exposed to credit risk. These deposits were secured from risk by \$1,590,568 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) and none were unsecured and uninsured.

**Investments.** The \$1,325,169 in investments at December 31, 2021 are invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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 LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments. LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment 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 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: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 58 days as of December 31, 2021.

- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

**Risk Management.** The Convention & Visitors Bureau is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Bureau purchases commercial insurance policies at levels which management believes is adequate to protect the Bureau. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**Short Term Interfund Receivables/Payables.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

**Prepaid Items.** Payments made to vendors for services that will benefit periods beyond December 31 are recorded as prepaid items in both government-wide and fund financial statements.

**Long Term Debt.** Long Term Debt obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long Term Debt for governmental funds is not reported as a liability in the fund financial statements. Bond issue cost is reported as expense in the year of the debt issuance. The debt proceeds are reported as other financing sources, and the payment of principal and interest are reported as expenditures in the fund statements.

**Compensated Absences.** Full-time, permanent employees of the Bureau earn vacation leave and sick leave at various rates depending on the number of years of service. The Bureau's policy allows employees to accumulate unused sick leave up to 180 days and unused vacation leave up to 5 days. An employee is compensated for up to 5 days of unused vacation leave at the employee's hourly rate of pay at the time of termination. Compensatory time is calculated at one and one-half hours

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# WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

for each hour of overtime earned. Upon an employee's retirement, sick leave, not to exceed 30 days, and vacation leave not to exceed 5 days, and compensatory time shall be paid as severance pay. The liability for these compensated absences is recorded as long term debt in the government-wide and proprietary financial statements. However, any matured compensated absences existing at year-end which are payable to currently terminating employees are reported in the governmental funds as wages and benefits payable and on the government-wide and proprietary financial statements as the current portion of compensated absences.

**Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

**Elimination and Reclassification.** In the process of aggregating data for the statement of net position and the statements of activities, some amounts reported as interfund activity and balances in the funds were eliminated to minimize the "grossing up" effect on assets and liabilities within the statement of position column.

**Current Year Adoption of New Accounting Standards.** There were no new standards issued by the GASB that were required to be adopted by the Bureau in 2021.

**Capital Assets.** Capital assets consist of equipment, vehicles, buildings and building improvements and are capitalized at historical costs. The Bureau maintains a threshold level of \$1,000 or more for capitalizing capital assets. These assets, net of accumulated depreciation, are included on the Statement of Net Position. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

The useful lives are as follows:

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Building	40 years
Building improvements	20 years
Furniture, fixtures & equipment	5-10 years
Vehicles	7 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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# WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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Notes to the Financial Statements, Continued

December 31, 2021

## 2. REVENUE

**Hotel – Motel Tax.** The Convention & Visitors Bureau under the provision of Louisiana Revised Statutes Section 33:4574.1-A levies a four percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the commission. The proceeds from this tax are accounted for in the Bureau's General Fund.

**State Sales Tax Rebate.** Under the provisions of Louisiana Revised Statutes Section 47:332.12, the West Baton Rouge Parish Council is entitled to receive a portion of the state sales tax imposed on hotel occupancy within West Baton Rouge Parish. The money is to be used exclusively for the planning, development or capital improvements of tourism sites in West Baton Rouge Parish. The Parish Council has designated the West Baton Rouge Convention & Visitors Bureau to receive and expend these funds on behalf of the Parish Council. The proceeds from this source are accounted for in the Bureau's Special Revenue Fund. The West Baton Rouge Parish Council collects these funds.

During 2021, the Convention & Visitors Bureau recognized income of \$619,372 from the state sales tax rebate. The Parish Council collected and recognized as income all other amounts due to the parish for the state sales tax rebate.

## 3. INTERFUND BALANCES

The Bureau reports interfund balances between its funds. The totals of all balances agree with the sum of interfund balances present in the fund statements. The balances reflected in interfunds represent either routine charges for goods and services or permanent (non-loan) transfers from one fund to another.

	Due From		Total
	General Fund	Enterprise Fund	
<b>Due To</b>			
General Fund	\$ -	\$ 10,926	\$ 10,926
Enterprise Fund	6,153	-	\$ 6,153
<b>Total</b>	<u>\$ 6,153</u>	<u>\$ 10,926</u>	<u>\$ 17,079</u>

# WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

*Notes to the Financial Statements, Continued*

*December 31, 2021*

## 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 2021 is as follows:

	Beginning of Year	Additions	Reductions	End of Year
Capital assets not being depreciated				
Land	\$ 834,056	\$ -	\$ -	\$ 834,056
Capital assets being depreciated				
Building & improvements	1,268,428	23,200	-	1,291,628
Christmas display	1,945	-	-	1,945
Office furniture and equipment	254,575	3,540	-	258,115
Vehicles	33,288	-	-	33,288
Total capital assets being depreciated	1,558,236	26,740	-	1,584,976
Less accumulated depreciated				
Building & improvements	434,824	56,176	-	491,000
Christmas display	1,945	-	-	1,945
Office furniture and equipment	150,312	27,012	-	177,324
Vehicles	28,831	2,971	-	31,802
Total accumulated depreciation	615,912	86,159	-	702,071
Total capital assets being depreciated, net	942,324	(59,419)	-	882,905
Total governmental activities capital assets, net	<u>\$ 1,776,380</u>	<u>\$ (59,419)</u>	<u>\$ -</u>	<u>\$ 1,716,961</u>

## 5. LONG-TERM DEBT

During 2014 the Bureau issued certificates of indebtedness totaling \$250,000. The proceeds were used for repairs and renovations of the convention facilities.

The following is a summary of the Bureau's long-term debt transactions for the year ended December 31, 2021:

Type of Debt	Balance at December 31, 2020	Bonds		Balance at December 31, 2021	Due in More Than One Year	Amount due within One Year
		Additions or Bonds Issued	Redeemed and Other Reductions			
<i>Governmental Activities:</i>						
Series 2014	\$ 109,000	\$ -	\$ 26,000	\$ 83,000	\$ 56,000	\$ 27,000
Compensated absences	30,798	37,674	32,613	35,859	35,859	-
Total governmental long-term debt	<u>\$ 139,798</u>	<u>\$ 37,674</u>	<u>\$ 58,613</u>	<u>\$ 118,859</u>	<u>\$ 91,859</u>	<u>\$ 27,000</u>

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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Notes to the Financial Statements, Continued

December 31, 2021

Long-term debt payable at December 31, 2021 consisted of the following:

\$250,000 certificates of indebtedness, Series 2014 of  
the West Baton Rouge Convention & Visitors Bureau,  
payable annually through December 1, 2024, 3.06% interest \$ 83,000

The annual requirements to amortize the long-term debt payable as of December 31, are as follows:

Year Ending December 31,	Principal	Interest
2022	27,000	2,540
2023	28,000	1,714
2024	28,000	857
	<u>\$ 83,000</u>	<u>\$ 5,111</u>

### 6. PER DIEM PAYMENTS

There were no per diem payments made during 2021 to board members of the West Baton Rouge Convention & Visitors Bureau.

### 7. OPERATING LEASES

The Bureau leases office equipment under an operating lease agreement with Xerox for a multifunction copier/printer in January 2020. The life of the lease is sixty months with a minimum lease payment of \$697 per month and addition to charges for printing that are stipulated in the lease. The Bureau also leases office equipment under an operating lease agreement with Pitney Bowes for a digital mailing system in October 2016. The life of the lease is sixty-three months with a minimum lease payment of \$155 per month. The lease expired at the end of December 2021 and the contract has been renewed to a month-to-month rental agreement.

Rental expense under these leases was \$9,742 for the year ended December 31, 2021. The minimum future lease payments receivable under non-cancelable operating leases are as follows:

Year Ending December 31,	
2022	\$ 8,369
2023	8,369
2024	8,369
2025	697
	<u>\$ 25,804</u>

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# WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

## 8. LOUISIANA TOURISM REVIVAL FUND

During the 2021 year, the Bureau entered into a cooperative endeavor agreement with the State of Louisiana Division of Administration and received \$932,809 in funds restricted for purposes to promote tourism within the West Baton Rouge Parish through the Coronavirus State and Local Fiscal Recovery Funds for the period of March 3, 2021 through December 31, 2024. Funds are considered unearned until the Bureau meets the eligibility criteria for expenditures. For the 2021 year, the Bureau has earned \$27,680 and currently has a balance of \$905,130 as reported as unearned revenues.

## 9. RECONCILIATIONS

### *Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net position*

Fund balances - total governmental funds		\$ 2,102,924
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial statement of resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 2,419,032	
Less accumulated depreciation	<u>(702,071)</u>	
		1,716,961
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable	\$ (83,000)	
Compensated absences	<u>(35,859)</u>	
		<u>(118,859)</u>
Net position of governmental activities		<u>\$ 3,701,026</u>

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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Notes to the Financial Statements, Continued

December 31, 2021

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

Net change in fund balances - total governmental funds		\$ 640,760
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 26,740	
Depreciation expense	<u>(86,159)</u>	(59,419)
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Principal payments	<u>\$ 26,000</u>	26,000
Some expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	<u>\$ (5,061)</u>	(5,061)
Change in net position of governmental activities		<u><u>\$ 602,280</u></u>

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

### 10. NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

GASB Statement 87, Leases: This Statement is effective for fiscal years beginning subsequent of December 15, 2019. This Statement increases 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 provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB issued Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance" which has deferred the effective date of Statement No. 87 Implementation Guide No. 2019-03 by 18 months to fiscal years beginning after June 15, 2021. The Bureau plans to adopt this Update as applicable by the effective date.

GASB Statement 96, Subscription-Based Information Technology Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users. This Statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for the IRS Section 457 Deferred Compensation Plans. The requirements of this Statement related to the accounting and financial reporting for IRS Code Section 457 plans are effective for periods beginning after June 15, 2021.

GASB Statement 91, Conduit Debt Obligations: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effect for reporting periods beginning with the fiscal year that ends December 31, 2022.

GASS Statement 92, Omnibus 2020: The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issue that have been identified during implementation and application of certain GASB statements. This statement is effective for reporting periods beginning after June 15, 2021.

GASS Statement 93, Replacement of Interbank Offered Rates: The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirement in paragraph 11 b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

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## **WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU**

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*Notes to the Financial Statements, Continued*

*December 31, 2021*

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary object of this statement is to improve financial reporting by addressing issues related to these arrangements. This statement is effective for reporting periods beginning after June 15, 2022.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

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**WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU**

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*Required Supplementary Information*

*December 31, 2021*

## WEST BATON ROUGE CONVENTION & VISITORS BUREAU

Statement of Revenues, Expenditures and  
Changes in Net Position

Year Ended December 31, 2021

Budget (Legal Basis) and Actual - General Fund

	Budgeted Amounts		Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final				
<b>Revenues</b>						
Conference center	\$ 140,000	\$ 55,000	\$ 59,172	\$ 7 <sup>2</sup>	\$ 59,179	\$ 4,179
Special events	-	-	200	-	200	200
Hotel-Motel tax	600,000	600,000	814,433	-	814,433	214,433
Interest income	700	200	303	-	303	103
Grants and other income	-	-	4,097	-	4,097	4,097
Total revenues	740,700	655,200	878,205	7	878,212	223,012
<b>Expenditures</b>						
General government						
Advertising and marketing	10,000	10,000	9,200	-	9,200	800
Maintenance, repairs and security	72,000	85,000	74,379	-	74,379	10,621
Catering expenses	100,000	100,000	28,924	-	28,924	71,076
Office, supplies and postage	10,120	10,620	18,051	(4,257) <sup>1</sup>	13,794	(3,174)
Audit and accounting	40,000	55,000	49,522	-	49,522	5,478
Insurance	25,000	25,000	20,730	-	20,730	4,270
Salaries, wages and related expenses	489,000	504,000	372,178	(2,340)	369,838	134,162
Utilities & telephone	42,000	42,000	39,919	(874) <sup>1</sup>	39,045	2,955
Capital outlays	5,000	5,000	3,540	-	3,540	1,460
Total expenditures	793,120	836,620	616,443	(7,471)	608,972	227,648
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (52,420)</b>	<b>\$ (181,420)</b>	<b>261,762</b>	<b>\$ 7,478</b>	<b>\$ 269,240</b>	<b>\$ 450,660</b>
<b>Total fund balance</b>						
Beginning			253,284			
Ending			<u>\$ 515,046</u>			

**Explanation of differences**

<sup>1</sup> Expenditures are budgeted on the cash basis - prior year's accounts payable \$2,908 are added and current year's accounts payable are subtracted \$10,379

<sup>2</sup> Revenues are budgeted on the cash basis - prior year's accounts receivable \$2,165 are added and current year's accounts receivable are subtracted \$2,158

## WEST BATON ROUGE CONVENTION & VISITORS BUREAU

Statement of Revenues, Expenditures and  
Changes in Net Position

Year Ended December 31, 2021

Budget (Legal Basis) and Actual - Special Revenue Fund

	Budgeted Amounts		Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final				
<b>Revenues</b>						
Special events	\$ 50,000	\$ 10,000	\$ 12,411	\$ -	\$ 12,411	\$ 2,411
From the State:						
Sales tax rebate	400,000	400,000	619,372	-	619,372	219,372
Interest income	6,000	1,000	1,237	-	1,237	237
Grants and other income	22,500	22,500	107,193	259 <sup>2</sup>	107,452	84,952
Total revenues	478,500	433,500	740,213	259	740,472	306,972
<b>Expenditures</b>						
General government						
Advertising and marketing	180,600	226,600	178,258	(3,722) <sup>1</sup>	174,536	52,064
Maintenance, repairs and security	15,000	15,000	25,339	-	25,339	(10,339)
Office, supplies and postage - Special Events	102,400	106,000	85,149	7,941 <sup>1</sup>	93,090	12,910
Intergovernmental	-	-	20,000	-	20,000	(20,000)
Capital outlays	250,000	250,000	23,200	-	23,200	226,800
Debt service						
Principle	27,668	27,688	26,000	-	26,000	1,688
Interest	-	-	3,269	-	3,269	(3,269)
Total expenditures	575,668	625,288	361,215	4,219	365,434	259,854
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (97,168)</b>	<b>\$ (191,788)</b>	<b>378,998</b>	<b>\$ (3,960)</b>	<b>\$ 375,038</b>	<b>\$ 566,826</b>
<b>Total fund balance</b>						
Beginning			1,208,880			
Ending			<u>\$ 1,587,878</u>			

**Explanation of differences**

<sup>1</sup> Expenditures are budgeted on the cash basis - prior year's accounts payable \$23,681 are added and current year's accounts payable are subtracted \$19,462

<sup>2</sup> Revenues are budgeted on the cash basis - prior year's accounts receivable \$12,444 are added and current year's accounts receivable are subtracted \$12,185

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**WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU**

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*Other Supplementary Information*

*December 31, 2021*

**WEST BATON ROUGE CONVENTION & VISITORS BUREAU***Schedule of Compensation, Benefits and Other Payments to  
Agency Head**Year Ended December 31, 2021***Agency Head Name: Kathy Gautreau****Purpose**

Salary	\$ 87,226
Benefits - insurance	8,890
Benefits - retirement	4,361
Cell phone	518
Reimbursements	175
Travel - trade shows	1,512
Special meals	294
Membership	109
	<u>\$ 103,085</u>

# **BAXLEY AND ASSOCIATES, LLC**

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To the Chairman and Members of the Board  
West Baton Rouge Convention and Visitors Bureau  
Port Allen, LA

## **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***

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 and each major fund of the West Baton Rouge Convention and Visitors Bureau, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Convention and Visitors Bureau’s basic financial statements and have issued our report thereon dated June 13, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the West Baton Rouge Convention and Visitors Bureau’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 West Baton Rouge Convention and Visitors Bureau’s internal control. Accordingly, we do not express an opinion on the effectiveness of the West Baton Rouge Convention and Visitors 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 a 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.

**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* (continued)**

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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the West Baton Rouge Convention and Visitors Bureau'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*.

**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 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.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 13, 2022

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## WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

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*Schedule of Prior Findings*

*December 31, 2021*

RefNo.	Fiscal Year Finding Initially Occurred	Description of Finding	Status of the Finding	Current Year Finding Ref No.
2020-001	1996	Inadequate segregation of duties	Resolved	N/A

# BAXLEY AND ASSOCIATES, LLC

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To the Board of Control  
West Baton Rouge Convention & Visitors Bureau &  
Louisiana Legislative Auditors  
Port Allen, Louisiana

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the West Baton Rouge Convention & Visitors 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, 2021 through December 31, 2021. The West Baton Rouge Convention & Visitors Bureau's management is responsible for those C/C areas identified in the SAUPs.

West Baton Rouge Convention & Visitor's Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Findings:* We reviewed the written policies and procedures for the related functions listed above. Through our review, we determined that the Information Technology policy lacked sufficient documentation.

### ***Board or Finance Committee***

---

- a) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- b) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- c) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- d) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Findings:* The entity met in accordance with their charter and a quorum was present. Documentation that budget-to-actual financial statements were reviewed was only noted for the first quarter. There was no negative ending unassigned fund balance in the prior year audit report.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Findings:* We obtained a list of bank accounts. We reviewed the bank reconciliations to report whether they were prepared and included evidence that management or a council member had reviewed each statement. We noted checks that were outstanding for more than twelve months of the fiscal year that did not include documentation that management had performed research on them.

***Collections (excluding electronic funds transfers)***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Findings:* We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. There was only one collection location.

No exceptions were noted as a result of applying the procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*Findings:* Per management's representation, we visited the one deposit site. The employees do share cash drawers but there were other compensating controls in place. Employees responsible for collecting cash are not responsible for preparing/making bank deposits, posting collections to ledgers or reconciling the cash accounts.

No exceptions were noted as a result of applying the procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*Findings:* We obtained the bond or insurance policy for theft during the fiscal period.

No exceptions were noted as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*Findings:* We selected two deposit dates for 3 bank accounts. Deposits were traced to the actual deposit per the bank statement and made within the appropriate number of days. The deposit agreed to the general ledger. Receipts are not used because cash is only collected at events.

No exceptions were noted as a result of applying the procedure.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Findings:* We reviewed a listing of locations that process payments and management's representation to determine that the listing is complete. There is only one location.

No exceptions were noted as a result of applying the procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

*Findings:* We obtained a listing of employees involved in the non-payroll purchasing and payment functions. Two employees are involved in initiating purchase request and placing orders, two employees are involved in processing and approving payments, the employee responsible for processing payments is prohibited from adding/modifying vendor files, and a separate employee responsible for signing checks mails or gives checks to an employee to mail. The one finding is that the employee responsible for processing payments is not prohibited from adding or modifying vendor files.

No exceptions were noted as a result of applying the procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Findings:* We selected 5 disbursements from the one location. Each disbursement matched an original invoice and included evidence of segregation of duties.

No exceptions were noted as a result of applying the procedure.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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 management's representation regarding the listing of credit cards, debit cards, fuel cards and P-cards for the fiscal year.

No exceptions were noted as a result of applying the procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), 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) Observe that finance charges and late fees were not assessed on the selected statements.

*Findings:* We examined five credit cards. We noted that all statements were reviewed and approved by someone other than the card holder. There were no finance charges and late fees noted on the selected statements.

No exceptions were noted as a result of applying the procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*Findings:* We examined the original receipts, business purposes, and documentation of individuals participating in meals.

No exceptions were noted as a result of applying the procedure.

#### *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Findings:* We examined 5 travel expenditures during the fiscal period and management's representation. All were supported by the proper supporting documentation, business purpose, and approvals.

No exceptions were noted as a result of applying the procedure.

### *Contracts*

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*Findings:* Per management's representation, we obtained a listing of agreements/contracts for professional services, materials, leases and construction activities. We examined the contracts, approvals, amendments (if any) and one payment with supporting invoice per contract.

No exceptions were noted as a result of applying the procedure.

## *Payroll and Personnel*

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Findings:* Per management's representation, we obtained a listing of the employees and official employed during the fiscal period. We randomly selected 5 employees and agreed paid salaries to authorized pay rates in the personnel files.

No exceptions were noted as a result of applying the procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Findings:* We randomly selected 5 employees for the one pay period. We observed daily attendance and leave records, supervisory approval, and authorized pay rates.

No exceptions were noted as a result of applying the procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*Findings:* We obtained management's representation that there were no termination payments in 2021.

No exceptions were noted as a result of applying the procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Findings:* We obtained management's representation that employer and employee portions of payroll related amounts have been paid, and payroll reports have been filed timely.

No exceptions were noted as a result of applying the procedure.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*Findings:* We examined the ethics training certificates for 5 randomly selected employees. There were no changes in ethics noted during the year.

No exceptions were noted as a result of applying the procedure.

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

*Findings:* We obtained management's representation that there was no debt instruments issued during the year.

Therefore, this procedure was considered not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*Findings:* We obtained management's listing for the existing outstanding bonds/notes. The debt covenants and payments appeared to be in compliance.

No exceptions were noted as a result of applying the procedure.

## *Fraud Notice*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Findings:* Per management's representation, there was no misappropriation of public funds and assets during the fiscal period.

No exceptions were noted as a result of applying the procedure.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Findings:* We observed the notice required by R.S. 24:523.1 was posted on its premises and website.

No exceptions were noted as a result of applying the procedure.

## *Information Technology Disaster Recovery/Business Continuity*

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Findings:* We performed the procedures and discussed the results with management.

## *Sexual Harassment*

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*Findings:* We randomly selected 5 employees and examined the sexual harassment training documentation for the 2021 calendar year.

No exceptions were noted as a result of applying the procedure

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Findings:* We observed the sexual harassment policy on the website.

No exceptions were noted as a result of applying the procedure.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

*Findings:* We examined the annual sexual harassment report for the current fiscal period.

No exceptions were noted as a result of applying the procedure.

We were engaged by West Baton Rouge Convention & Visitor's Bureau to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of West Baton Rouge Convention & Visitor's Bureau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

*Barley & Associates, LLC*

Plaquemine, Louisiana  
June 13, 2022

## WEST BATON ROUGE CONVENTION & VISITORS BUREAU

### Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2021

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#### Management's Response to Items:

1. Written Policies and Procedures – there was a finding that the IT Policy lacked sufficient documentation. Management is aware that it is not in the written policy, but the task is being performed by the IT company. Management will get the IT company to add it to their policy.
2. Board or Finance Committee – There was a finding that it wasn't noted in the minutes that the Board reviewed the quarterly Budget to Actual Reports. Even though they did review these documents, it was not noted in the minutes. This has been corrected.
3. Bank Reconciliations – there was also a finding that there were checks outstanding for more than twelve months. Management was aware of these outstanding checks that had occurred from 2012-2019. All of these entries were duplicates. Some occurred when we switched from Peachtree Accounting to Quickbooks accounting software. When all the data was transferred, the duplicate entries appeared. Management researched and consulted with their outside accounting firm on how to rectify. This was cleared off of the bank reconciliations in December, 2021.