

**SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU**  
**FINANCIAL REPORT**  
**DECEMBER 31, 2021**

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU  
Lake Charles, Louisiana

December 31, 2021

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SOUTHWEST LOUISIANA CONVENTION  
AND VISITORS BUREAU

December 31, 2021

BOARD OF DIRECTORS

Jonathan Ringo - Chairman  
Willie Mount - Vice Chairman  
Nick Zaver - Secretary/Treasurer  
Lauren Cooper  
Edwina Medearis  
Mark Lavergne  
Rob King  
Mike Buckley  
Kane Mitchell  
Shonda Manuel  
Jim Boyer

PRESIDENT/CHIEF EXECUTIVE OFFICER

Kyle Edmiston

LEGAL COUNSEL

Robert Kleinschmidt - Assistant District Attorney  
Scott Scofield - Attorney

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Southwest Louisiana Convention and Visitors Bureau  
Lake Charles, Louisiana

**Opinions**

We have audited the accompanying financial statements of the governmental activities of the Southwest Louisiana 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 Southwest Louisiana Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Southwest Louisiana Convention and Visitors Bureau as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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 the Southwest Louisiana Convention & 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 opinions.

## **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 Southwest Louisiana 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.

## **Auditors' 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Southwest Louisiana Convention & 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 the Southwest Louisiana Convention & 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.

#### **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 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 Southwest Louisiana Convention and Visitors Bureau's basic financial statements. The Schedule of Compensation Benefits and Other Payments to President/CEO is presented for purposes of additional analysis 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. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to President/CEO 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 section 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 29, 2022, on our consideration of the Southwest Louisiana 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 the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting and compliance.

*McElroy Quil & Bush*

Lake Charles, Louisiana  
June 29, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Southwest Louisiana Convention and Visitors Bureau's financial performance provides an overview of the Southwest Louisiana Convention and Visitors Bureau's financial activities for the year ended December 31, 2021.

### **USING THE ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Southwest Louisiana Convention and Visitors Bureau as a whole and present a longer-term view of the Southwest Louisiana Convention and Visitors Bureau's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Bureau's operations in more detail than the government-wide statements by providing information about the Bureau's most significant funds. The remaining statements provide financial information about activities for which the Bureau acts solely as an agent for the benefit of those outside the government.

### **Reporting the Southwest Louisiana Convention and Visitors Bureau as a Whole**

#### **The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the Bureau's finances is, "Is the Bureau better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Bureau as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Bureau's net position - the difference between assets and liabilities - as one way to measure the Bureau's financial position. Over time, increases and decreases in the Southwest Louisiana Convention and Visitors Bureau's net position are one indicator of whether its financial health is improving or deteriorating.



## **Reporting the Bureau's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the Bureau as a whole. Some funds are required to be established by law. However, the Bureau establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain money. Southwest Louisiana Convention and Visitors Bureau's governmental fund uses a certain account approach described below:

Governmental funds - All of the Bureau basic services are reported in governmental funds, except for one fiduciary fund. The governmental fund focuses on how money flows into and out of those funds and the balance left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Bureau's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Bureau programs.

### **Reporting the Bureau's Fiduciary Responsibilities**

The Bureau is the agent, or fiduciary for the deferred compensation plan. All the Bureau's fiduciary activities are reported in separate Statement of Fiduciary Net Position. We exclude these activities from the Bureau's other financial statements because the Bureau cannot use these assets to finance its operations. The Bureau is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**The Bureau as a Whole**

For the year ended December 31, 2021, net position changed as follows:

|                                  | <u>Governmental Activities</u> |                      |
|----------------------------------|--------------------------------|----------------------|
|                                  | <u>2021</u>                    | <u>2020</u>          |
| Current and other assets         | \$ 16,875,802                  | \$ 9,902,444         |
| Capital assets                   | 3,446,866                      | 3,393,378            |
| Total assets                     | <u>20,322,668</u>              | <u>13,295,822</u>    |
| Long-term debt outstanding       | 1,350,000                      | 1,515,000            |
| Other current liabilities        | 1,105,587                      | 1,567,672            |
| Total liabilities                | <u>2,455,587</u>               | <u>3,082,672</u>     |
| Net position:                    |                                |                      |
| Net investment in capital assets | 2,096,866                      | 1,878,378            |
| Unrestricted                     | 15,770,215                     | 8,334,772            |
| Total net position               | <u>\$ 17,867,081</u>           | <u>\$ 10,213,150</u> |

The following table provides a summary of the Bureau's change in net position:

|                                   | <u>Governmental Activities</u> |                      |
|-----------------------------------|--------------------------------|----------------------|
|                                   | <u>2021</u>                    | <u>2020</u>          |
| Program revenues:                 |                                |                      |
| Occupancy tax                     | \$ 9,549,106                   | \$ 6,591,321         |
| Advertising                       | 5,180,084                      | 145,909              |
| Insurance proceeds                | 520,602                        | 480,789              |
| Gift shop                         | 18,580                         | 18,024               |
| General revenues:                 |                                |                      |
| Interest                          | 45,705                         | 92,472               |
| Miscellaneous                     | 56,392                         | 1,439                |
| Total revenues                    | <u>15,370,469</u>              | <u>7,329,954</u>     |
| Program expenses:                 |                                |                      |
| Salaries and benefits             | 1,866,362                      | 1,945,472            |
| Advertising, sales and promotions | 2,568,749                      | 1,927,213            |
| Grants                            | 271,507                        | 236,640              |
| Other program expenses            | 2,170,168                      | 1,602,249            |
| Building restoration expenses     | 600,899                        | 518,175              |
| Interest                          | 55,075                         | 64,127               |
| Depreciation                      | 164,883                        | 157,174              |
| (Gain) loss on sale of assets     | 18,895                         | 397,305              |
| Total expenses                    | <u>7,716,538</u>               | <u>6,848,356</u>     |
| Increase in net position          | 7,653,931                      | 481,599              |
| Net position - beginning          | <u>10,213,150</u>              | <u>9,731,551</u>     |
| Net position - ending             | <u>\$ 17,867,081</u>           | <u>\$ 10,213,150</u> |

**Governmental Activities**

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed on top with revenues from that particular program reported below. The result is a Net (Expense)/Revenue. It also identifies how much each function adds to the general revenues or if it is self-financing through fees.

The following table presents the cost of the Bureau's programs, including the net cost (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial benefit that was provided to the Bureau by this function.

|                        | <u>Total Cost of Services</u> |                     | <u>Net Benefit of Services</u> |                       |
|------------------------|-------------------------------|---------------------|--------------------------------|-----------------------|
|                        | <u>2021</u>                   | <u>2020</u>         | <u>2021</u>                    | <u>2020</u>           |
| Culture and recreation | <u>\$ 6,144,493</u>           | <u>\$ 5,731,432</u> | <u>\$ (425,227)</u>            | <u>\$ (4,968,710)</u> |

**The Bureau's Funds**

The following schedule presents a summary of the special revenue funds and expenditures for the years ended December 31, 2021 and 2020. Also presented on the schedule is the amount and percentage of increase or decrease from amounts for the year ended December 31, 2021.

|  | <u>Totals</u>       |                     | <u>Change<br/>from 2020</u> | <u>%<br/>Variance</u> |
|--|---------------------|---------------------|-----------------------------|-----------------------|
|  | <u>2021</u>         | <u>2020</u>         |                             |                       |
| <b>Revenues:</b>                       |                     |                     |                             |                       |
| Occupancy tax                          | \$ 9,549,106        | \$ 6,591,321        | \$ 2,957,785                | 44.87%                |
| Interest and dividends                 | 45,705              | 92,472              | (46,767)                    | (50.57)%              |
| Gift shop                              | 18,580              | 18,024              | 556                         | 3.09%                 |
| Cooperative advertising                | 5,180,084           | 145,909             | 5,034,175                   | 3,450.22%             |
| Insurance proceeds                     | 1,001,391           | -                   | 1,001,391                   | 100.00%               |
| Proceeds on sale of assets             | 11,352              | -                   | 11,352                      | 100.00%               |
| Miscellaneous                          | <u>56,391</u>       | <u>1,439</u>        | <u>54,952</u>               | <u>3,818.78%</u>      |
| <b>Total revenues</b>                  | <u>\$15,862,609</u> | <u>\$ 6,849,165</u> | <u>\$ 9,013,444</u>         | <u>131.60%</u>        |
| <b>Expenditures:</b>                   |                     |                     |                             |                       |
| Advertising, sales and promotions      | \$ 2,568,749        | \$ 1,927,213        | \$ 641,536                  | 33.29%                |
| Personnel services, taxes and benefits | 1,866,362           | 1,945,472           | (79,110)                    | (4.07)%               |
| Accounting                             | 36,432              | 20,500              | 15,932                      | 77.72%                |

(continued on next page)

|                           | Totals                     |                            | Change<br>from 2020        | %<br>Variance |
|---------------------------|----------------------------|----------------------------|----------------------------|---------------|
|                           | 2021                       | 2020                       |                            |               |
| Automobile                | 8,916                      | 9,997                      | (1,081)                    | (10.81)%      |
| Building maintenance      | 152,816                    | 78,141                     | 74,675                     | 95.56%        |
| Equipment contracts       | 103,963                    | 88,080                     | 15,883                     | 18.03%        |
| Gift shop                 | 5,474                      | 8,592                      | (3,118)                    | (36.29)%      |
| Insurance-general         | 149,051                    | 146,129                    | 2,922                      | 2.00%         |
| Legal/professional fees   | 58,478                     | 37,081                     | 21,397                     | 57.70%        |
| Miscellaneous             | 673                        | 1,064                      | (391)                      | (36.75)%      |
| Office                    | 20,170                     | 12,340                     | 7,830                      | 63.45%        |
| Utilities                 | 36,120                     | 29,233                     | 6,887                      | 23.56%        |
| Vending                   | -                          | 296                        | (296)                      | (100.00)%     |
| Grants                    | 271,507                    | 236,640                    | 34,867                     | 14.73%        |
| Capital outlay            | 248,617                    | 54,489                     | 194,128                    | 356.27%       |
| Building restoration      | 1,119,074                  | -                          | 1,119,074                  | .00%          |
| Economic development      | 100,000                    | 100,000                    | -                          | .00%          |
| Intergovernmental         | 1,498,075                  | 1,070,796                  | 427,279                    | 39.90%        |
| Bond retirement           | 165,000                    | 155,000                    | 10,000                     | 6.45%         |
| Interest expense          | 55,075                     | 64,127                     | (9,052)                    | (14.12)%      |
| <b>Total expenditures</b> | <b><u>\$ 8,464,552</u></b> | <b><u>\$ 5,985,190</u></b> | <b><u>\$ 2,479,362</u></b> | <b>41.42%</b> |

Revenue:

Revenue increased from prior year as a result of the following:

- Occupancy tax increased 44.87% due to the continued recovery from the prior year's economic effects of COVID-19 and two major hurricanes with increased leisure travel and high average daily rates per room night.
- Interest and dividends decreased 50.57% due to decreased interest rates.
- Cooperative programs increased 3450.22% with the receipt of federal and state funding for COVID-19 related recovered programs: SBA PPP Loan Forgiveness Program and the Louisiana Tourism Revival Fund Grant.
- Gain on sale of assets increased 100% due to sale of company vehicle.
- Insurance proceeds increased 100% due to insurance proceeds from damages sustained by Hurricanes Laura and Delta.

Expenses:

Expenses increased from prior year mainly due to:

- Advertising, sales and promotions increased 33.29%. This increase relates to the recovery and restart campaign to slowly bring back advertising and programming canceled or postponed due to the effects of COVID-19 and two major hurricanes in the fall of 2020.
- Personnel services and taxes decreased 4.07% due to fewer staff than prior year.
- Accounting increased 77.72% due to the use of a 3<sup>rd</sup> party payroll processing service.
- Building maintenance expenditures increased 95.56% due to damages caused by Hurricane Laura and Delta which included: the bureau's insurance deductible payout, the cleanup of grounds, and the replacement of damaged items. Another factor was lower operating costs experienced in 2020 with office closures for COVID-19 quarantine and hurricanes.
- Legal and professional increased 57.70% due to interior design fees for the reconstruction of the lobby after Hurricane Laura and Delta damages; as well as consulting and engineering fees for the construction of the annex building and professional services for an EDA Grant application.
- Grants increased 14.73% with the return of festivals, sports, other and events, that were cancelled in 2020 due to COVID-19 and Hurricanes Laura & Delta.
- Capital outlay increased 356.27% with the replacement of office and lobby furniture, and outdoor signs damaged by the hurricanes; updated computer equipment; and construction costs for annex.
- Building Restoration expense was added in 2021 to recognize expenses related to damages from Hurricanes Laura and Delta.
- Intergovernmental expenses increased 39.90% with increased collections of Act 608 1% Occupancy Tax payable to municipalities as a result of the recovery from COVID-19 and hurricanes in 2020.

**Significant Budget Variances**

Over the course of the year, the Bureau revised the special revenue fund budget four times. These amendments were done as a response to increased Occupancy Tax Collections experienced; receipt of Federal and State funding related to COVID-19 recovery as well as to recognize insurance proceeds and claims for damages related to Hurricane Laura. These amendments increased budget receives by \$8,089,891 and expenditures by \$1,657,574.

The major changes from the original budget and explanations for those changes are as follows:

**Revenues:**

Increase of \$2,000,000 Occupancy Tax Revenues due to increased occupancy tax collections experienced with the continuation of recovery efforts from the Hurricanes and flooding as well as a sustained high average daily rate per room.

Increase of \$5,022,000 Cooperative Programs to recognize receipt of COVID-19 recovery funding from Federal and State sources including: SBA PPP Loan Forgiveness and the Louisiana Tourism Revival Fund.

Increase of \$1,001,391 Insurance Proceeds to recognize insurance paid directly to contractor for Hurricane Laura damages.

**Expenses:**

Increase of \$261,000 for Capital Outlay for building and grounds renovation and office and lobby furniture replacement, outdoor sign and other contents from storm damages.

Increase of Building Maintenance \$52,000 for the insurance deductible and cleanup of grounds due to Hurricanes Laura and Delta as well as electrical issues and Adventure Point parking lot and grounds maintenance.

Decrease of \$93,000 of Grant Program Expenses as events experienced cancellations of events due to COVID-19 restrictions.

Increase of Intergovernmental Expenditures of \$285,000 for increased disbursements to municipalities due to increase of 1% occupancy tax collections.

Increase of \$1,119,074 to recognize building renovations expenditures for damages related to Hurricane Laura.

Federal and State funds received for COVID-19 Recovery were designated to a LA Tourism Recovery Fund to fund future marketing efforts over an estimated three year recovery period.

**Capital Assets**

At the end of December 31, 2021 and 2020, the Bureau had \$3,446,866 and \$3,393,378, respectively, in capital assets. See Note 3 for additional information about changes in capital assets during the year. The following table provides a summary of capital asset activity:

**Capital Assets**  
(net of depreciation)

|                                   | 2021                | 2020                |
|-----------------------------------|---------------------|---------------------|
| Land and construction in progress | \$ 424,635          | \$ 403,260          |
| Building                          | 2,762,006           | 2,860,788           |
| Transportation equipment          | 61,553              | 85,818              |
| Furniture and fixtures            | 198,692             | 43,512              |
|                                   | <u>\$ 3,446,866</u> | <u>\$ 3,393,378</u> |

**Long-Term Debt**

At the end of the fiscal year, the Bureau had total bonded debt outstanding of \$1,350,000, a decrease of \$165,000 from last year as follows:

**Outstanding Debt at Year-End**

|   | <u>Governmental Activities</u> |                     |
|---|--------------------------------|---------------------|
|   | 2021                           | 2020                |
| Revenue bonds (backed by specific tax and fee revenues) | <u>\$ 1,350,000</u>            | <u>\$ 1,515,000</u> |

See Note 4 for additional information.

**Economic Factors**

The Tourism economy is rebounding with the aid of federal and state funding and the Hotel Occupancy Tax Revenue has steadily increased from the devastating economic effects caused by the COVID-19 Pandemic, two major hurricanes that hit Southwest Louisiana in 2020 and flooding and ice store in Quarter 1 of 2021. Sporting and other events have slowly returned and leisure traveler visitation has increased with COVID-19 decreased restrictions. This paired with sustained elevated average daily rates has been an economic driver on the road to recovery. The Visitor Center also sustained damages from Hurricane Laura and Delta. Construction was completed which allowed the newly designed Visitor Center to reopen in July 2021.

**Contacting the Bureau's Financial Management**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Bureau's finances and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Bureau's office at 1205 North Lakeshore Drive; Lake Charles, Louisiana.

Kyle Edmiston, President/Chief Executive Officer

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION  
December 31, 2021

| ASSETS  |                      |
|---|----------------------|
| CURRENT ASSETS                                  |                      |
| Cash and cash equivalents                       | \$ 15,553,310        |
| Investments                                     | 385,211              |
| Accounts receivable                             | 625,157              |
| Act 608 receivable                              | 122,653              |
| Prepaid expenses                                | <u>189,471</u>       |
| Total current assets                            | <u>16,875,802</u>    |
| NONCURRENT ASSETS                               |                      |
| Capital assets not being depreciated:           |                      |
| Land  | 403,260              |
| Construction in progress                        | 21,375               |
| Capital assets, net of accumulated depreciation | <u>3,022,231</u>     |
| Total noncurrent assets                         | <u>3,446,866</u>     |
| Total assets                                    | <u>20,322,668</u>    |
| CURRENT LIABILITIES                             |                      |
| Accounts payable                                | 577,490              |
| Accrued liabilities                             | 118,916              |
| Accrued interest                                | 23,970               |
| Deferred compensation benefits                  | <u>385,211</u>       |
| Total current liabilities                       | <u>1,105,587</u>     |
| NONCURRENT LIABILITIES                          |                      |
| Bonds payable:                                  |                      |
| Due in one year                                 | 170,000              |
| Due in more than one year                       | <u>1,180,000</u>     |
| Total liabilities                               | <u>2,455,587</u>     |
| NET POSITION                                    |                      |
| Net investment in capital assets                | 2,096,866            |
| Unrestricted                                    | <u>15,770,215</u>    |
| Total net position                              | <u>\$ 17,867,081</u> |

The accompanying notes are an integral part of these statements.



SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2021

|                               | <u>Expenses</u>     | <u>Charges<br/>For<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Total<br/>Net Revenue<br/>(Expense)</u> |
|-------------------------------|---------------------|-------------------------------------|---|--|
| Governmental activities:      |                     |                                     |   |  |
| Culture and recreation        | \$ 6,144,493        | \$ 18,580                           | \$ 5,700,686                                      | \$ (425,227)                               |
| Interest on long-term debt    | <u>55,075</u>       | <u>-</u>                            | <u>-</u>  | <u>(55,075)</u>                            |
| Total governmental activities | <u>\$ 6,199,568</u> | <u>\$ 18,580</u>                    | <u>\$ 5,700,686</u>                               | <u>(480,302)</u>                           |
| General revenues:             |                     |                                     |   |  |
| Occupancy tax                 |                     |                                     |   | 9,549,106                                  |
| Interest                      |                     |                                     |   | 45,705                                     |
| (Loss) on sale of assts       |                     |                                     |   | (18,895)                                   |
| Intergovernmental expense     |                     |                                     |   | (1,498,075)                                |
| Miscellaneous                 |                     |                                     |   | <u>56,392</u>                              |
| Total general revenues        |                     |                                     |   | <u>8,134,233</u>                           |
| Change in net position        |                     |                                     |   | 7,653,931                                  |
| Net position - beginning      |                     |                                     |   | <u>10,213,150</u>                          |
| Net position - ending         |                     |                                     |   | <u>\$ 17,867,081</u>                       |

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2021

ASSETS

|                           |                      |
|---------------------------|----------------------|
| Cash and cash equivalents | \$ 15,553,310        |
| Investments               | 385,211              |
| Accounts receivable       | 625,157              |
| Act 608 receivable        | 122,653              |
| Prepaid expenses          | <u>189,471</u>       |
| Total assets              | <u>\$ 16,875,802</u> |

LIABILITIES AND FUND EQUITY

|                               |                   |
|-------------------------------|-------------------|
| Liabilities:                  |                   |
| Accounts payable              | \$ 577,490        |
| Accrued liabilities           | 118,916           |
| Accrued interest              | 23,970            |
| Deferred compensation benefit | <u>385,211</u>    |
| Total liabilities             | <u>1,105,587</u>  |
| Fund equity:                  |                   |
| Fund balance:                 |                   |
| Committed                     | 13,876,715        |
| Unassigned                    | <u>1,893,500</u>  |
| Total fund equity             | <u>15,770,215</u> |

Amounts reported for governmental activities in the statement of net position are different because:

|  |                  |
|--|------------------|
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds, consisting of: |                  |
| Land and construction in progress  | 424,635          |
| Capital assets, net of \$1,528,886 accumulated depreciation  | <u>3,022,231</u> |
|  | 3,446,866        |

|   |                    |
|---|--------------------|
| Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds | <u>(1,350,000)</u> |
|---|--------------------|

|                                       |                      |
|---------------------------------------|----------------------|
| Net position of government activities | <u>\$ 17,867,081</u> |
|---------------------------------------|----------------------|

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
GOVERNMENTAL FUNDS

Year Ended December 31, 2021

|                                      |                      |
|--------------------------------------|----------------------|
| Revenues:                            |                      |
| Occupancy tax                        | \$ 9,549,106         |
| Interest, dividends                  | 45,705               |
| Gift shop                            | 18,580               |
| Advertising revenues                 | 5,180,084            |
| Insurance proceeds                   | 1,001,391            |
| Proceeds from sale                   | 11,352               |
| Miscellaneous                        | 56,391               |
| Total revenues                       | <u>15,862,609</u>    |
| Expenditures:                        |                      |
| Current:                             |                      |
| Culture and recreation               | 6,746,402            |
| Intergovernmental                    | 1,498,075            |
| Debt service:                        |                      |
| Principal                            | 165,000              |
| Interest                             | 55,075               |
| Total expenditures                   | <u>8,464,552</u>     |
| Excess of expenditures over revenues | 7,398,057            |
| Fund balance - beginning             | <u>8,372,158</u>     |
| Fund balance - ending                | <u>\$ 15,770,215</u> |

(continued on next page)

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
GOVERNMENTAL FUNDS

Year Ended December 31, 2021

(Continued)

Reconciliation of the change in fund balances -  
total governmental funds to the change in net  
position of governmental activities:

|  |              |
|--|--------------|
| Net change in fund balances-total governmental funds | \$ 7,398,057 |
|--|--------------|

Amounts reported for governmental activities in the  
statement of activities are different because:

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

|   |           |
|---|-----------|
| Capital asset purchases capitalized                               | 248,617   |
| Proceeds from sale of capital assets in excess<br>of gain on sale | (11,352)  |
| Depreciation expense  | (164,883) |
| (Loss on sale of asset)   | (18,895)  |

Some income and expenses were included in the prior  
year statement of activities but did not meet the  
criteria of being current financial resources, to  
be included in the prior year fund financial  
statements. These items were included on this  
year's fund financial statements.

37,387

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 position.

|                         |                |
|-------------------------|----------------|
| Bond principal payments | <u>165,000</u> |
|-------------------------|----------------|

|   |                     |
|---|---------------------|
| Change in net position of governmental activities | <u>\$ 7,653,931</u> |
|---|---------------------|

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

December 31, 2021

ASSETS

Investments \$ 1,714,922

LIABILITIES

Deferred compensation benefits \$ 1,714,922

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
Year Ended December 31, 2021

|   |                     |
|---|---------------------|
| ADDITIONS                                     |                     |
| Employee and employer contributions           | \$ 198,988          |
| Net appreciation in fair value of investments | 154,977             |
| Dividend earnings                             | <u>82,390</u>       |
| Total additions                               | <u>436,355</u>      |
| DEDUCTIONS                                    |                     |
| Withdrawals                                   | 76,031              |
| Fund transfers                                | 1,785               |
| Fees  | <u>13,400</u>       |
| Total deductions                              | <u>91,216</u>       |
| Change in net position                        | 345,139             |
| Net position held in agency funds:            |                     |
| Beginning of year                             | <u>1,369,783</u>    |
| End of year                                   | <u>\$ 1,714,922</u> |

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Southwest Louisiana Convention and Visitors Bureau have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Bureau's more significant accounting policies are described below.

A. NATURE OF BUSINESS

The operations of the Southwest Louisiana Convention and Visitors Bureau are to promote conventions and tourism in the Calcasieu Parish area.

B. REPORTING ENTITY

The Southwest Louisiana Convention and Visitor's Bureau was created in 1972 by an Act of the Louisiana Legislature. That Act was amended and reenacted by Act 47 to create the Bureau as a political subdivision of the State of Louisiana effective for 1997 with the purpose of promoting conventions and tourism in the Calcasieu Parish area. During 2000 the Louisiana Legislature increased the seven person governing board to an eleven person Board of Directors. The following governmental bodies appoint members to and are represented on the Board:

Calcasieu Parish Police Jury-six members  
The City of Lake Charles-three members  
West Calcasieu Community Center Authority-one member  
The City of Sulphur-one member

The financial statements of the Bureau include all operations and activities of the Bureau under control and authority of the Board of Directors, and it was determined that no other agency should be included in this reporting entity.

## C. BASIS OF PRESENTATION

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government.

The Statement of Net Position and the Statement of Activities report financial information for the Bureau as a whole. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) grants received from state and local governments used to promote Southwest Louisiana; and (2) 4% occupancy tax revenue. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

### FUND FINANCIAL STATEMENTS

The Southwest Louisiana Convention and Visitors Bureau use funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The financial statements in this report are grouped into the following fund types:

One governmental fund type, a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

One fiduciary fund type, an agency fund used to account for the deferred compensation plan. Agency funds are custodial in nature and do not involve measurement of operations.



One capital project fund type, a capital project fund used to account for resources restricted, committed or assigned for capital acquisition or construction of capital facilities and other capital assets.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

The Bureau uses the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: occupancy tax, interest, dividends, and intergovernmental revenue.

The Bureau's records are maintained on a modified accrual basis of accounting, utilizing the following practices:

Revenues:

Revenues collected in the current period that was measurable and available as net current assets of the prior period are adjusted out of current revenue. Uncollected revenues that are measurable and available as net current assets of the current period are recognized as revenue.

Expenditures:

Expenditures are adjusted to record in the current period only those expenditures for which the related fund liability was incurred in the current period.

Advertising:

The Bureau elects to expense advertising cost as incurred. The advertising cost for the year ended December 31, 2021 amounted to \$2,568,749.

Pervasiveness of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred outflows of resources and deferred inflows of resources:

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Net position flow assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

E. BUDGETS AND BUDGETARY ACCOUNTING

The Director and the budget committee submit to the Board of Directors a proposed budget prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

After a complete review the budget is approved. The Board must approve any revisions. Formal budgetary integration is employed as a management control device during the year. All budgetary appropriations lapse at the end of each fiscal year.

During the year ended December 31, 2021, budgeted amounts for revenues were increased \$8,089,891 and expenditures were increased \$1,657,574. Revenues increased due to increase in occupancy tax collection, new grant revenue from the state, and insurance proceeds related to the hurricane. Expenditures increased due to building maintenance and fixed asset acquisition related to hurricane building repairs and renovations.

F. DEPOSITS AND INVESTMENT DEPOSITS

DEPOSITS

Deposits include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Bureau.

State statutes authorize the Bureau to invest in obligations of the US Treasury, US Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which generates a local government investment pool. Investments in LAMP at December 31, 2021 totaled \$693,875.

Credit Risk. Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. government, obligations issued or guaranteed by an agency established by the U.S. government, general obligation

bonds of any state of the U.S., or of any Louisiana parish, municipality, or school district. The Bureau's bank demand and time deposits at the end were entirely covered by federal depository insurance or by pledge of securities owned by the financial institution in the Bureau's name.

The deposits at December 31, 2021 are as follows:

| December 31, 2021  | <u>Demand Deposits</u> |
|--|------------------------|
| Carrying amount  | <u>\$ 14,859,085</u>   |
| Bank balances:   |                        |
| a. Federally insured   | \$ 500,000             |
| b. Collateralized by securities held by the pledging financial institution | 14,399,036             |
| c. Uncollateralized and uninsured  | <u>-</u>               |
| Total bank balances  | <u>\$ 14,899,036</u>   |

#### INVESTMENTS

As of December 31, 2021, the Bureau had the following investments and maturities.

| <u>Investment Type</u>              | <u>Investment Maturities</u><br>(in Years) |                    |
|-------------------------------------|--|--------------------|
|                                     | <u>Fair Value</u>                          | <u>Less Than 1</u> |
| Merrill Lynch-mutual fund portfolio | \$ 385,211                                 | \$ 385,211         |

Interest Rate Risk. The Bureau does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Bureau's investments program is limited to purchases of securities issued or guaranteed by the U.S. Government and its agencies.

G. CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to capital assets associated with a fund are determined by their measurement focus. General capital assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or what historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$1,000.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

|                                   |                |
|-----------------------------------|----------------|
| Buildings                         | 15 to 40 years |
| Improvements, other than building | 5 to 40 years  |
| Machinery and equipment           | 3 to 15 years  |
| Furniture and fixtures            | 3 to 10 years  |

H. COMPENSATED ABSENCES

The Bureau has the following policy related to paid time off:

The cost of current paid time off is recognized as current year expenditures when leave is actually taken. Paid time off can accrue up to 30 days from year to year.

I. BAD DEBTS

No reserve for uncollectible receivables had been recorded as of December 31, 2021, as all receivables were considered collectible.

J. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of uncollected occupancy tax assessments.

Note 2. Lease Agreement

The Bureau occupies property it has leased through a joint service agreement with the City of Lake Charles. The agreement provides the Bureau use of the land at no cost.

Note 3. Capital Assets

Capital asset activity for the year ending December 31, 2021 was as follows:

|   | Balance<br>1/1/21 | Additions | Deductions | Balance<br>12/31/22 |
|---|-------------------|-----------|------------|---------------------|
| Governmental activities:                    |                   |           |            |                     |
| Capital assets not being depreciated:       |                   |           |            |                     |
| Land  | \$ 403,260        | \$ -      | \$ -       | \$ 403,260          |
| Construction in progress                    | -                 | 21,375    | -          | 21,375              |
| Capital assets being depreciated:           |                   |           |            |                     |
| Building and grounds                        | 3,993,272         | 36,468    | 84,688     | 3,945,052           |
| Furniture and equipment                     | 348,807           | 190,774   | 71,704     | 467,877             |
| Transportation equipment                    | 176,925           | -         | 33,842     | 143,083             |
| Total capital assets being depreciated      | 4,519,004         | 227,242   | 190,234    | 4,556,012           |
| Less accumulated depreciation:              |                   |           |            |                     |
| Building and grounds                        | 1,132,484         | 113,138   | 62,576     | 1,183,046           |
| Furniture and equipment                     | 305,295           | 27,460    | 63,570     | 269,185             |
| Transportation equipment                    | 91,107            | 24,285    | 33,842     | 81,550              |
| Total accumulated depreciation              | 1,528,886         | 164,883   | 159,988    | 1,533,781           |
| Total capital assets being depreciated, net | 2,990,118         | 62,359    | 30,246     | 3,022,231           |
| Government activities capital assets, net   | \$ 3,393,378      | \$ 83,734 | \$ 30,246  | \$ 3,446,866        |

Depreciation expense of \$164,883 was charged to culture and recreation.

Note 4. Noncurrent Liabilities

Bonds payable is comprised of the following at December 31, 2021:

Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds Series 2013 payable to Argent Trust Company in the original amount of \$2,500,000 bearing 3.874%, payable semi-annually on August 1 (interest) and February 1 (principal and interest) each year. \$ 1,350,000

Summary of changes in bonds payable:

| LCDA Revenue Bonds Series | Balance             | Additions   | Retirements       | Balance             | Due               |
|---------------------------|---------------------|-------------|-------------------|---------------------|-------------------|
|                           | 12/31/20            |             |                   | 12/31/21            | Within One        |
|                           |                     |             |                   |                     | Year              |
| 2013                      | <u>\$ 1,515,000</u> | <u>\$ -</u> | <u>\$ 165,000</u> | <u>\$ 1,350,000</u> | <u>\$ 170,000</u> |

Annual debt service requirements to maturity of the bonds are as follows:

| Year Ending<br>December 31 | LCDA Revenue Bonds  |                   |
|----------------------------|---------------------|-------------------|
|                            | Principal           | Interest          |
| 2022                       | \$ 170,000          | \$ 49,006         |
| 2023                       | 180,000             | 42,227            |
| 2024                       | 185,000             | 35,157            |
| 2025                       | 190,000             | 27,893            |
| 2026                       | 200,000             | 20,339            |
| 2027-2028                  | <u>425,000</u>      | <u>16,561</u>     |
| Total                      | <u>\$ 1,350,000</u> | <u>\$ 191,183</u> |

Note 5. Compensation for Board of Directors

The Board of Directors received no compensation for the year ended December 31, 2021.

Note 6. Equity

The Southwest Louisiana Convention and Visitors Bureau in accordance with GASB No. 54, classifies governmental fund balances as follows:

Non-spendable -

includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted -

includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained or due to constitutional provisions or enabling legislation.

Committed -

includes fund balance amounts that are constrained for specific purposes which are internally imposed by the government through formal action of the highest level of decision making authority (the Board of Directors) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment.

Assigned -

includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Executive Director.

Unassigned -

includes positive fund balance which has not been classified within the above mentioned categories.

The Bureau requires restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Board of Directors has committed fund balances to provide for the following projects:

|                                       |                      |
|---------------------------------------|----------------------|
| Vehicle fund                          | \$ 88,517            |
| Building repairs and renovations fund | 879,912              |
| Sports war chest fund                 | 391,938              |
| Emergency operations fund             | 3,754,585            |
| Port wonder project fund              | 1,005,083            |
| Major event fund                      | 756,172              |
| McNeese project fund                  | 500,244              |
| CNTAP fund                            | 1,500,115            |
| LA tourism recovery fund              | 4,500,148            |
| Mardi Gras Museum fund                | 400,000              |
| Live arts venue fund                  | 100,000              |
|                                       | <u>\$ 13,876,715</u> |

The Bureau has a formal minimum fund balance policy.



## Net Position

Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (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 - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

## Note 7. Occupancy Tax

Act 47 of the Louisiana Legislature authorized the Southwest Louisiana Convention and Visitors Bureau to levy and collect a 4% tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within its jurisdiction. The jurisdiction of the Bureau is composed of all the territory in Calcasieu Parish. The proceeds of the tax shall be used by the Bureau for the operation of the Bureau, and for the purpose of attracting conventions and tourists into the area, and jurisdiction of the Bureau including, but not limited to, the authority to spend money for advertising, promotion, and publication of information, or for any other purpose generally or specifically authorized for occupancy taxes in the parish by this Act 47 or by any local, special, or general law.

Act 608 of the Louisiana Legislature amended Act 47 and authorized the Southwest Louisiana Convention and Visitors Bureau to levy and collect an additional one percent hotel and motel occupancy tax and to provide for the distribution to the governing authority or authorities of the parish or municipalities within its territories in which a hotel or motel is located. A cooperative endeavor agreement has been entered into with the governing authorities and said authorities will use the proceeds for promoting and funding programs that enhance visitation, tourism, and economic development, and for infrastructure improvements. The Bureau retains 5% of the additional 1% and has dedicated to the Project Enhancement Grant Program.

Note 8. Accounts Receivable

Accounts receivable balances are comprised of occupancy tax amounts collected in 2021 but remitted to the Bureau in January of 2022. Total occupancy tax receivable for 2021 is \$715,152. This amount includes Act 608 collection receivables.

Note 9. Deferred Compensation Plan

The Bureau offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Bureau employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Empower Retirement is managing the 457 plans. The employee makes the choice of the investment options for the Section 457 plan.

A model Rabbi trust agreement has been established for Shelley Johnson, the former Executive Director. This plan is a nonqualified deferred compensation plan.

Note 10. Fair Value

The Bureau categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Bureau had the following recurring fair value measurements as of December 31, 2021:

Governmental Activities

Investments reported at fair value in the Bureau's governmental activities consist of investments held by the model Rabbi trust described in Note 9. The investments are shown as assets on the Bureau's Statement of Net Position and Balance Sheet along with corresponding liabilities on each statement as they are held on behalf of the trust's beneficiary. The investments consist of money market and mutual funds. Money market investments of \$12,778 are not subject to fair value measurement. The remainder of the balance consists of mutual funds which are traded on active markets and are considered level 1 investments.

| Investments by Fair Value Level | 12/31/2021        | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Units<br>(Level 3) |
|---------------------------------|-------------------|--|---|---|
| Mutual funds:                   |                   |  |   |   |
| World Allocation funds          | \$ 158,143        | \$ 158,143   | \$ -  | \$ -  |
| Large Value funds               | -                 | -  | -   | -   |
| Large Blend funds               | 47,992            | 47,992   | -   | -   |
| Bond funds                      | 167,186           | 167,186  | -   | -   |
|                                 | <u>\$ 373,321</u> | <u>\$ 373,321</u>  | <u>\$ -</u>   | <u>\$ -</u>                                       |

Fiduciary Activities

Investments reported at fair value on the Bureau's Statement of Net Position - Fiduciary Funds consist of investments held by the Bureau's 457 plan, described in Note 9, on behalf of its employees. The investments are not included on the Bureau's basic financial statements and instead are shown on its fiduciary statements. The investments consist entirely of mutual funds which are traded on active markets and are considered level 1 investments.

| Investments by Fair Value Level           | 12/31/2021          | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Units<br>(Level 3) |
|---|---------------------|--|---|---|
| <b>Mutual funds:</b>                      |                     |  |   |   |
| Large Cap Growth funds                    | \$ 517,816          | \$ 517,816   | \$ -  | \$ -  |
| Mid Cap Blend funds                       | 123,113             | 123,113  | -   | -   |
| Large Cap Blend funds                     | 471,876             | 471,876  | -   | -   |
| Small Cap Blend funds                     | 117,799             | 117,799  | -   | -   |
| Bonds fund                                | 20,299              | 20,299   | -   | -   |
| Diversified Emerging Markets<br>funds     | 72,981              | 72,981   | -   | -   |
| Fixed account funds                       | 3,633               | 3,633  | -   | -   |
| Real estate                               | 6,050               | 6,050  | -   | -   |
| US Fund allocation - 50% to<br>70% equity | 105,572             | 105,572  | -   | -   |
| US Fund allocation - 30% to<br>50% equity | 90,942              | 90,942   | -   | -   |
| US Fund allocation - 15% to<br>30% equity | 8,553               | 8,553  | -   | -   |
| US Fund intermediate<br>government        | 7,385               | 7,385  | -   | -   |
| US Multi-Sector bond                      | 120,305             | 120,305  | -   | -   |
| US Fund intermediate<br>core-plus bond    | <u>48,598</u>       | <u>48,598</u>  | <u>-</u>  | <u>-</u>  |
|   | <u>\$ 1,714,922</u> | <u>\$ 1,714,922</u>  | <u>\$ -</u>   | <u>\$ -</u>                                       |

#### Note 12. Risks and Uncertainties

During 2021, the Bureau was significantly impacted by the COVID-19 pandemic as the country's tourism and hospitality industry was essentially shut down for nearly nine months of the year. Additionally, Southwest Louisiana was decimated by two major Hurricanes in the fall of 2021 which caused significant disruption to the local economy and widespread property damage in the region including the Bureau's own facilities. These events have impacted the Bureau's team members, suppliers and vendors and the total financial impact cannot be calculated.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2021

Required supplementary information includes financial information and disclosures that are required by GASB and are not considered a part of the basic financial statements. Such information includes:

- Budgetary comparison schedules - Special Revenue Fund

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL

SPECIAL REVENUE

Year Ended December 31, 2021

|                            | Budgeted Amounts    |                     | Actual              | Favorable<br>(Unfavorable) |
|----------------------------|---------------------|---------------------|---------------------|----------------------------|
|                            | Original            | Final               |                     |                            |
| <b>Revenues:</b>           |                     |                     |                     |                            |
| Occupancy tax              | \$ 7,000,000        | \$ 9,000,000        | \$ 9,549,106        | \$ 549,106                 |
| Interest, dividends        | 35,000              | 40,000              | 45,705              | 5,705                      |
| Gift shop                  | 10,000              | 10,000              | 18,580              | 8,580                      |
| Advertising revenues       | 158,000             | 5,240,000           | 5,180,084           | (59,916)                   |
| Miscellaneous              | 1,000               | 1,500               | 56,391              | 54,891                     |
| Proceeds on sale           | 10,000              | 11,000              | 11,352              | 352                        |
| Insurance proceeds         | -                   | 1,001,391           | 1,001,391           | -                          |
| Total revenues             | <u>7,214,000</u>    | <u>15,303,891</u>   | <u>15,862,609</u>   | <u>558,718</u>             |
| <b>Expenditures:</b>       |                     |                     |                     |                            |
| Current:                   |                     |                     |                     |                            |
| Culture and recreation     | 5,881,000           | 6,992,574           | 6,746,402           | 246,172                    |
| Economic development       | 100,000             | 100,000             | -                   | 100,000                    |
| Intergovernmental          | 1,140,000           | 1,425,000           | 1,498,075           | (73,075)                   |
| Capital outlay             | 90,000              | 351,000             | -                   | 351,000                    |
| Debt service:              |                     |                     |                     |                            |
| Principal                  | 165,000             | 165,000             | 165,000             | -                          |
| Interest                   | 58,000              | 58,000              | 55,075              | 2,925                      |
| Total expenditures         | <u>7,434,000</u>    | <u>9,091,574</u>    | <u>8,464,552</u>    | <u>627,022</u>             |
| Net change in fund balance | (220,000)           | 6,212,317           | 7,398,057           | 1,185,740                  |
| Fund balances - beginning  | <u>8,372,158</u>    | <u>8,372,158</u>    | <u>8,372,158</u>    | <u>-</u>                   |
| Fund balances - ending     | <u>\$ 8,152,158</u> | <u>\$14,584,475</u> | <u>\$15,770,215</u> | <u>\$ 1,185,740</u>        |

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO PRESIDENT/CEO  
Year Ended December 31, 2021

Agency Head Name: Kyle Edmiston, President/CEO

| Purpose                           | <u>Amount</u> |
|-----------------------------------|---------------|
| Salary                            | \$ 228,173    |
| Benefits - insurance              | 30,912        |
| Benefits - retirement             | 34,000        |
| Vehicle provided by government    | 282           |
| Travel                            | 7,547         |
| Registration fees                 | 1,885         |
| Conference travel                 | 15,872        |
| Continuing professional education | 2,478         |
| Cell phone                        | 1,800         |

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

Board of Directors  
Southwest Louisiana Convention and Visitors Bureau  
Lake Charles, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, of the Southwest Louisiana 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 Southwest Louisiana Convention and Visitors Bureau's basic financial statements, and have issued our report thereon dated June 29, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Southwest Louisiana 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 Southwest Louisiana Convention and Visitors Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Southwest Louisiana 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.

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.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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.

This report is intended for the information and use of the Board of Directors, management, federal agencies and the Legislative Auditor of the State of Louisiana. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*M. Tracy Quil & Beach*

Lake Charles, Louisiana  
June 29, 2022

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2021

**No findings to report.**

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2021

**No prior year findings.**

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of the Southwest Louisiana Convention and Visitors Bureau  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas of the Southwest Louisiana Convention and Visitors Bureau (the Bureau) identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Bureau's management is responsible for those C/C areas identified in the SAUPs.

The 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:

*No exceptions noted.*

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:

*No exceptions noted.*

c) **Disbursements**, including processing, reviewing, and approving:

*No exceptions noted.*

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):

*No exceptions noted.*

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 employees' rate of pay or approval and maintenance of pay rate schedules:

*No exceptions noted.*

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:

*No exceptions noted.*

- 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):

*No exceptions noted.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers:

*No exceptions noted.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy:

*No exceptions noted.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements:

*No exceptions noted.*

- 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.

*No exceptions noted.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions noted.*

**Board or Finance Committee**

---

2. 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:

- a) 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:

*No exceptions noted*

- b) For those entities reporting on the governmental accounting model, observe that 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:

*No exceptions noted.*

- c) 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:

*No exceptions noted.*

### ***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 account selected, 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, electronically logged):

*No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged):

*No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable:

*No exceptions noted.*

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

---

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

*No exceptions noted.*

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 that are responsible for cash collections do not share cash drawers/registers:

*No exceptions noted.*

- 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:

*No exceptions noted.*

- 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:

*No exceptions noted.*

- 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 verifies the reconciliation:

*No exceptions noted.*

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 in force during the fiscal period.:

*No exceptions noted.*



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. Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered:

*No exceptions noted.*

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip:

*No exceptions noted.*

c) Trace the deposit slip total to the actual deposit per the bank statement:

*No exceptions noted.*

d) Observe that 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):

*Two deposits were not made within 1 business day of receipt.*

e) Trace the actual deposit per the bank statement to the general ledger:

*No exceptions noted.*

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

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).

*No exceptions noted.*

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:

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors:

*No exceptions noted.*

- 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:

*No exceptions noted.*

- 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:

*No exceptions noted.*

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:

*No exceptions noted.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable:

*No exceptions noted.*

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

---

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.

*No exceptions noted.*

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 that 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, by someone other than the authorized card holder.

*No exceptions noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions noted.*

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 of transactions subject to testing). For each transaction, observe that 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):

*One transaction did not include the itemized receipt.*

### ***Travel and Expense Reimbursement***

---

14. Obtain from management a listing of all travel and 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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration:

*No exceptions noted.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased:

*No exceptions noted.*

- 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):

*No exceptions noted.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

*No exceptions noted.*

### **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. 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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law:

*No exceptions noted.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter):

*No exceptions noted.*

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment: and those amendments were made in compliance with the contract terms:

*No exceptions noted.*

- 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 that the invoice and related payment agreed to the terms and conditions of the contract:

*No exceptions noted.*

## ***Payroll and Personnel***

---

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

*No exceptions noted.*

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

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

*No exceptions noted.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials:

*No exceptions noted.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records:

*No exceptions noted.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

18. Obtain a listing of those employees/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, agree the hours to the employee or officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy:

*No exceptions noted.*

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, and workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines:

*No exceptions noted*

### **Ethics**

---

20. Using the five 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 and official completed one hour of ethics training during the fiscal period:

*No exceptions noted.*

- 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:

*No exceptions noted.*

### **Debt Service**

---

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 that State Bond Commission approval was obtained for each debt instrument issued:

*N/A- No bonds or debt instruments issued during the fiscal period.*

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):

*No exceptions noted.*

## ***Fraud Notice***

---

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:

*No misappropriations of assets during the fiscal period.*

24. Observe that 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:

*No exceptions noted.*

## ***Information Technology Disaster Recovery/Business Continuity***

---

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.

*We performed the procedure and discussed the results with management.*

- 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.

*We performed the procedure and discussed the results with management.*

- 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.

*We performed the procedure and discussed the results with management.*

## ***Sexual Harassment***

---

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.

*No exceptions noted.*

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).

*No exceptions noted.*

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:

*No exceptions noted.*

- b) Number of sexual harassment complaints received by the agency:

*No exceptions noted.*

- c) Number of complaints which resulted in a finding that sexual harassment occurred:

*No exceptions noted.*

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action:

*No exceptions noted.*

- e) Amount of time it took to resolve each complaint:

*No exceptions noted.*

We were engaged by the Southwest Louisiana Convention & Visitors 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 the Southwest Louisiana Convention & Visitors 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.

  
Lake Charles, Louisiana  
June 29, 2022



June 9, 2022

McElroy, Quirk & Burch  
P.O. Box 3070  
Lake Charles, LA 70602-3070

Re: Agreed Upon Procedures 2021

Please see below responses to the exceptions noted to the 2021 Agreed Upon Procedures report issued by your office.

In response to the noted exception to #7d concerning deposits not made within one business day of receipt at the collection location, the deposits made follow the guidelines set forth by our Financial Procedure and Internal Control Policy approved by the CVB Board of Directors. This policy states:

Receipts will be deposited each day unless the total collections are under \$500. In this instance, a weekly deposit will be made by the Finance/Administrations Assistant. All collections are locked in a secure location until the deposit is to be sent to the bank.

No daily gift shop deposit in the testing period exceeded the \$500 minimum collections to require daily depositing. Management has determined that requiring daily deposits is not financially feasible due to the minimal gift shop collection receipt totals operating with a small accounting staff.

In response to the noted exception to #12a concerning a transaction that did not include the itemized receipt, although the detail was not available, the employee followed the guidelines set forth by our Financial Procedure and Internal Control Policy, approved by the CVB Board of Directors. This policy states:

Lost or damaged credit card charge receipts will require completing the "Non-Receipt Transaction Form." If using this form for lost or damaged credit card receipts, it is required to have both the immediate supervisor and the President/CEO's approval.

Management has determined that this procedure allows for compensating control to address this circumstance with increased scrutiny.

Sincerely,

  
Kyle Edmiston  
President/CEO