

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

FINANCIAL REPORT

December 31, 2022

WEST BATON ROUGE CONVENTION & VISITORS BUREAU

Table of Contents

December 31, 2022

INDEPENDENT AUDITOR'S REPORT		1
MANAGEMENT'S DISCUSSION AND ANALYSIS		5
FINANCIAL STATEMENTS:		
Statement of Net Position and Governmental Funds Balance Sheet	<i>Statement A</i>	12
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Position	<i>Statement B</i>	13
Notes to Financial Statements		14
REQUIRED SUPPLEMENTARY INFORMATION		
Statement of Revenues, Expenditures and Changes in Net Position Budget and Actual-General Fund	<i>Schedule 1</i>	30
Statement of Revenue, Expenditures and Changes in Net Position Budget and Actual-Special Revenue Fund	<i>Schedule 2</i>	31
OTHER SUPPLEMENTARY INFORMATION		
Schedule of Compensation, Benefits and Other Payments to Agency Head	<i>Schedule 3</i>	33
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		34
Schedule of Prior Findings	<i>Schedule 4</i>	36
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES		37

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Belleview Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA – Retired

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau as of December 31, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the West Baton Rouge Convention and Visitors Bureau implemented Government Accounting Standards Board Statement No. 87, Leases for the year ended December 31, 2022. As a result, the Bureau now recognizes certain lease assets, liabilities, and lease amortization for leases that were previously classified as operating leases and rent expense. The implementation was applied retroactively, and prior period balances presented in Notes 4 and 5 were restated for lease assets and lease liabilities for the year ended December 31, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Baton Rouge Convention and Visitors Bureau 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Baton Rouge Convention and Visitors Bureau's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 11 and schedules 1 and 2 respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Baton Rouge Convention and Visitors Bureau's basic financial statements. The schedule of compensation, benefits and other payments to agency head on schedule 3 is presented to comply with the requirements issued by the State of Louisiana and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023 on our consideration of the West Baton Rouge Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or

on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Baton Rouge Convention and Visitors Bureau's internal control over financial reporting and compliance.

Baxley & Associates. LLC

Plaquemine, Louisiana
June 19, 2023

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis

The Management's Discussion and Analysis of the West Baton Rouge Convention and Visitors Bureau (the Convention and Visitors Bureau) financial performance presents a narrative overview and analysis of the Convention and Visitors Bureau's financial activities for the year ended December 31, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the additional information contained in the Convention and Visitors Bureau's financial statements, which begins on page 10.

FINANCIAL HIGHLIGHTS

The Convention and Visitors Bureau's total net position increased by \$485,035 or 13.1%.

The operating revenues of the Convention and Visitors Bureau increased \$598,064 or 37.0%.

The operating expenses of the Convention and Visitors Bureau increased \$715,309 or 70.4%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

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

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

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

Fund Financial Statements

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

The Convention & Visitors Bureau uses only one fund type:

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

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

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

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

Notes to the Basic Financial Statements

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

FINANCIAL ANALYSIS OF THE CONVENTION & VISITORS BUREAU AS A WHOLE

	2022	2021 (Restated)
Current assets	\$ 3,242,952	\$ 3,038,106
Capital assets	<u>1,672,078</u>	<u>1,746,106</u>
Total assets	<u>4,915,030</u>	<u>4,784,212</u>
Current liabilities	637,201	971,803
Noncurrent liabilities	<u>91,768</u>	<u>111,383</u>
Total liabilities	<u>728,969</u>	<u>1,083,186</u>
Net investment in capital assets	1,596,552	1,633,961
Restricted	1,941,210	1,582,730
Unrestricted	<u>648,299</u>	<u>484,335</u>
Total net position	<u>\$ 4,186,061</u>	<u>\$ 3,701,026</u>

The Convention & Visitors Bureau continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities at December 31, 2022 is approximately 5.1 to 1.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

The Convention & Visitors Bureau reported a positive balance in net position for its governmental activities. Note that approximately 38% of the governmental activities net position at December 31, 2022 consist of capital assets. The Convention & Visitors Bureau uses these capital assets to provide services to its citizens and tourists visiting the parish.

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

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

	2022	2021
Revenues		
Program revenues		
Charges for services	\$ 184,683	\$ 71,783
Operating grants and contributions	428,983	27,680
General Revenues		
Hotel-motel tax	812,929	814,433
Sales tax rebate	741,539	619,372
Grants and other income	5,355	83,610
Interest income	42,993	1,540
Total revenues	2,216,482	1,618,418
Expenses		
General government	1,645,948	992,869
Intergovernmental	82,700	20,000
Interest expense	2,799	3,269
Total expenses	1,731,447	1,016,138
Increase(decrease) before other financing sources	485,035	602,280
Other financing source (uses)	-	-
Change in net position	485,035	602,280
Net position - beginning	3,701,026	3,098,746
Net position - ending	\$ 4,186,061	\$ 3,701,026

Governmental Revenue

The Convention & Visitors Bureau is heavily reliant on hotel-motel tax and the state sales tax rebate to support its operations. Hotel-motel taxes and state sales tax rebate provided 70.1% in 2022 and 88.6% in

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

2021 of the Convention & Visitors Bureau's total revenues. Because of the Convention & Visitors Bureau's healthy financial position, we have been able to earn interest income of \$42,993 in 2022 and \$1,540 in 2021 to support our activities. Also, note that in 2022 charges for services covered only 10.7% of governmental operating expenses and only 7.1% in 2021. This means that the Convention & Visitors Bureau's taxpayers and the Convention & Visitors Bureau's other general revenues fund a significant portion of the Convention & Visitors Bureau's activities. As a result, the general economy and local businesses have a major impact on the Convention & Visitors Bureau's revenue streams.

Governmental Functional Expenses

Salaries and related expenses comprised 25.0% in 2022 and 37.1% in 2021 of total expenses. Operating services, materials and supplies made up 64.7% in 2022 and 52.1% in 2021 the total expenses.

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

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

- The General Fund is the main operating account of the Bureau. At the end of the fiscal year, the fund balance of the General Fund was \$697,139, which \$691,273 is unassigned and available for spending and \$5,866 is non-spendable for prepaid expenses.
- The Special Revenue Fund "Enterprise" accounts for all receipts and expenditures of funds received from the sales tax rebate to be used exclusively for the planning, development, or capital improvements of tourism sites in West Baton Rouge Parish. At the end of the current fiscal year, the fund balance of this fund was \$1,946,359, of which \$1,944,558 is restricted and \$1,801 is non-spendable for prepaid expenses.

General Fund Budgetary Highlights

At year-end, the Convention & Visitors Bureau realized 175.8% of our final budget revenue and total expenditures were 82.3% of budgeted amounts. Variances between actual budget results and final budgeted amounts were primarily due to an increase in the hotel-motel tax revenue received and grant income from the Tourism Revival Fund. Final budgeted expenditures were \$570,638 (41.5%) higher than original budgeted amounts due to higher-than-expected advertisement and conference center expenditures.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

CAPITAL ASSETS AND DEBTS

Capital Assets

The Convention and Visitors Bureau's investment in capital assets, net of accumulated depreciation and amortization, for governmental activities as of December 31, 2022 was \$1,672,078 compared to \$1,746,106 at December 31, 2021. In 2022 depreciation expense was \$93,209 compared to \$86,160 at December 31, 2021.

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

	Governmental Activities	
	2022	2021
		(Restated)
Depreciable assets	1,633,303	\$ 1,614,122
Less accumulated depreciation and amortization	(795,281)	(702,072)
Land	834,056	834,056
Book value-depreciable assets	\$ 1,672,078	\$ 1,746,106

Long-term Debt

The Convention and Visitors Bureau may issue general obligation debt to meet its capital needs. During the current year the Convention and Visitors Bureau retired \$27,000 of bonds that were issued to fund renovation of the convention facilities. The Bureau also has leases for office equipment. During the current year, the Bureau made principal payments of \$9,620 towards the lease liability. See Note 5 to the financial statements for a discussion and analysis of long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Generally, the outlook for 2023 is favorable. The impact on projected hotel-motel tax and state sales tax rebate revenue should be close to the budgeted amount for 2023. Hotel-motel tax for the year 2023 shows an approximate 18% decrease from January through June year-to-date compared to 2022.

State sales tax rebate revenue will be close to 100% of budgeted amount for the year 2023. Wages and salaries will be higher in 2023 due to the bureau hiring a part-time maintenance person and a full-time graphic artist but will still be within the budgeted amount for 2023.

The Bureau's income is lower than the expenditures for 2023 due to over \$500,000 of State Enterprise funds that will not be received until second half of 2023.

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU
Port Allen, Louisiana

Management's Discussion and Analysis, continued

CONTACTING THE CONVENTION AND VISITORS BUREAU'S MANAGEMENT

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

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

December 31, 2022

	General Fund	SRF "Enterprise" Fund	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$ 461,370	\$ 284,414	\$ 745,784	\$ -	\$ 745,784
Accounts receivable	6,599	-	6,599	-	6,599
Investments - LAMP	177,509	1,674,615	1,852,124	-	1,852,124
Hotel-Motel tax receivable	56,361	-	56,361	-	56,361
Prepaid expenses	5,866	1,801	7,667	-	7,667
Interfund receivables	10,926	6,153	17,079	(17,079)	-
Restricted cash & cash equivalents	-	574,417	574,417	-	574,417
Capital assets, net of accumulated depreciation	-	-	-	818,624	818,624
Capital assets, not being depreciated					
Land	-	-	-	834,056	834,056
Lease - Right-of-use asset net of accumulated amortization	-	-	-	19,398	19,398
Total Assets	718,631	2,541,400	3,260,031	1,654,999	4,915,030
LIABILITIES					
Accounts payable and accrued expenses	15,389	89,996	105,385	-	105,385
Unearned revenues	-	494,069	494,069	-	494,069
Interfund payables	6,103	10,976	17,079	(17,079)	-
Long-term liabilities					
Due within one year					
Leases payable	-	-	-	9,746	9,746
Bonds payable	-	-	-	28,000	28,000
Due after one year					
Leases payable	-	-	-	9,780	9,780
Bonds payable	-	-	-	28,000	28,000
Compensated Absences	-	-	-	53,989	53,989
Total Liabilities	21,492	595,041	616,533	112,436	728,969
FUND BALANCE/NET POSITION					
Fund Balance:					
Restricted					
Tourist promotion	-	1,944,558	1,944,558	(1,944,558)	
Nonspendable					
Prepaid expenses	5,866	1,801	7,667	(7,667)	
Unassigned	691,273	-	691,273	(691,273)	
Total fund balances	\$ 697,139	\$ 1,946,359	\$ 2,643,498		
Total liabilities and fund balances					
Net Position:					
Invested in capital assets net of related debt				1,596,552	1,596,552
Restricted - "Enterprise Fund"				1,941,210	1,941,210
Unrestricted				648,299	648,299
Total Net Position					\$ 4,186,061

**WEST BATON ROUGE CONVENTION & VISITORS
BUREAU**

Statement B

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

Year Ended December 31, 2022

	General Fund	SRF "Enterprise" Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
General government					
Advertising and marketing	\$ 81,222	\$ 429,545	\$ 510,767	\$ -	\$ 510,767
Bank charges	2,551	998	3,549	-	3,549
Catering expenses	80,395	-	80,395	-	80,395
Depreciation and amortization	-	-	-	93,209	93,209
Maintenance, repairs and security	109,204	25,139	134,343	-	134,343
Office, supplies and postage	30,655	228,566	259,221	-	259,221
Professional fees	64,863	-	64,863	-	64,863
Insurance	22,205	-	22,205	-	22,205
Salaries, wages and related expenses	414,869	-	414,869	18,130	432,999
Utilities & telephone	44,397	-	44,397	-	44,397
Intergovernmental	-	82,700	82,700	-	82,700
Capital outlays	1,770	17,410	19,180	(19,180)	-
Debt service					
Principal	9,620	27,000	36,620	(36,620)	-
Interest	328	2,471	2,799	-	2,799
Total Expenditures/Expenses	862,079	813,829	1,675,908	55,539	1,731,447
Revenues					
Program Revenues					
Conference center	145,022	-	145,022	-	145,022
Special events	1,953	37,708	39,661	-	39,661
Operating grants and contributions	71,808	357,175	428,983	-	428,983
Expenditures/Expenses Net of Program Revenues	(643,296)	(418,946)	(1,062,242)	(55,539)	(1,117,781)
General Revenue					
Hotel-Motel tax	812,929	-	812,929	-	812,929
From the State:					
Sales tax rebate	-	741,539	741,539	-	741,539
Interest income	7,746	35,247	42,993	-	42,993
Grants and other income	4,715	640	5,355	-	5,355
Total General Revenues	825,390	777,426	1,602,816	-	1,602,816
Excess (Deficiency) of Revenues over Expenditures	182,094	358,480	540,574	(55,539)	485,035
Other Financing Sources (Uses)					
Loss on disposition of asset	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	182,094	358,480	540,574	(55,539)	485,035
Total Fund Balance/Net Position, Beginning	515,045	1,587,879	2,102,924	-	3,701,026
Total Fund Balance/Net Position, Ending	\$ 697,139	\$ 1,946,359	\$ 2,643,498	\$ (55,539)	\$ 4,186,061

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to Financial Statements

December 31, 2022

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Date of Management's Review. Management has evaluated subsequent events through June 19, 2023, the date on which financial statements were available to be issued.

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

Governmental Funds:

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

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

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

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

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

Fund Equity:

Equity Classifications.

Government-Wide Financial Statements.

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

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

Fund Financial Statements (FFS):

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

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

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

Restricted. Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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

Assigned. Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned. All other spendable amounts.

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

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

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

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

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

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

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

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

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

Level 2 – Inputs including:

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

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

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

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

As of December 31, 2022, the Bureau has deposits totaling \$739,206 (book balances). \$490,797 of the Bureau's \$740,797 in deposits (collected bank balances) was exposed to credit risk. These deposits were secured from risk by \$1,939,455 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) and none were unsecured and uninsured.

Investments. The \$1,852,124 in investments at December 31, 2022 are invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments. LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- **Credit risk:** LAMP is rated AAAM by Standard & Poor's.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- **Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure requirement.
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days as of December 31, 2022.

- Foreign currency risk: Not applicable.

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

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

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

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

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

Leases. The Bureau is a lessee for noncancellable lease of office equipment. It recognizes a lease liability and an intangible right-of-use lease asset in the government-wide financial statements. At the commencement of a lease, the Bureau initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The Bureau uses the interest rate charged by the lessor at the discount rate. When the interest rate charged by the lessor is not provided, the Bureau generally uses the risk-free rate as the discount rate for leases.

The Bureau monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

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

Compensated Absences. Full-time, permanent employees of the Bureau earn vacation leave and sick leave at various rates depending on the number of years of service. The Bureau's policy allows employees to accumulate unused sick leave up to 180 days and unused vacation leave up to 5 days. An employee is compensated for up to 5 days of unused vacation leave at the employee's hourly rate of pay at the time of termination. Compensatory time is calculated at one and one-half hours for each hour of overtime earned. Upon an employee's retirement, sick leave, not to exceed 30 days, and vacation leave not to exceed 5 days, and compensatory time shall be paid as severance pay. The liability for these compensated absences is recorded as long term debt in the government-wide and proprietary financial statements. However, any matured compensated absences existing at year-end which are payable to currently terminating employees are reported in the governmental funds as wages and benefits payable and on the government-wide and proprietary financial statements as the current portion of compensated absences.

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

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

Current Year Adoption of New Accounting Standards. During the fiscal year ended December 31, 2022, the Bureau implemented GASB Statement No. 87, *Leases*, requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The implementation was applied retroactively, and prior period balances presented in Notes 4 and 5 were restated for lease assets and lease liabilities for the year ended December 31, 2021. Further information on GASB 87 is presented in Note 5.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

The useful lives are as follows:

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

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

2. REVENUE

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

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

During 2022, the Convention & Visitors Bureau recognized income of \$741,539 from the state sales tax rebate. The Parish Council collected and recognized as income all other amounts due to the parish for the state sales tax rebate.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

3. INTERFUND BALANCES

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

Due To	Due From		Total
	General Fund	Enterprise Fund	
General Fund	\$ -	\$ 10,926	\$ 10,926
Enterprise Fund	6,153	-	\$ 6,153
Total	\$ 6,153	\$ 10,926	\$ 17,079

4. CAPITAL AND RIGHT-TO-USE LEASED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 2022 is as follows:

	Beginning of Year (Restated)	Additions	Reductions	End of Year
Capital assets not being depreciated				
Land	\$ 834,056	\$ -	\$ -	\$ 834,056
Capital assets being depreciated				
Building & improvements	1,291,628	9,500	-	1,301,128
Christmas display	1,945	9,681	-	11,626
Office furniture and equipment	258,115	-	-	258,115
Right-of-use equipment	29,146	-	-	29,146
Vehicles	33,288	-	-	33,288
Total capital assets	1,614,122	19,181	-	1,633,303
Less accumulated depreciation and amortization	702,072	93,209	-	795,281
Total capital assets, net depreciation and amortization	912,050	(74,028)	-	838,022
Total governmental activities capital assets, net	\$ 1,746,106	\$ (74,028)	\$ -	\$ 1,672,078

5. LONG-TERM DEBT

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

The following is a summary of the Bureau's long-term debt transactions for the year ended December 31, 2022:

Type of Debt	Balance at December 31, 2021 (Restated)	Bonds Additions or Bonds Issued	Redeemed and Other Reductions	Balance at December 31, 2022	Due in More Than One Year	Amount due within One Year
<i>Governmental Activities:</i>						
Series 2014	\$ 83,000	\$ -	\$ 27,000	\$ 56,000	\$ 28,000	\$ 28,000
Compensated absences	35,859	48,900	30,770	53,989	53,989	-
Lease liabilities	29,146	-	9,620	19,526	9,746	9,780
Total governmental long-term debt	\$ 148,005	\$ 48,900	\$ 67,390	\$ 129,515	\$ 81,989	\$ 37,780

Long-term debt payable at December 31, 2022 consisted of the following:

\$250,000 certificates of indebtedness, Series 2014 of
the West Baton Rouge Convention & Visitors Bureau,
payable annually through December 1, 2024, 3.06% interest \$ 56,000

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

Year Ending December 31,	Principal	Interest
2023	28,000	1,714
2024	28,000	857
	<u>\$ 56,000</u>	<u>\$ 2,571</u>

Leases

The Bureau leases office equipment for a multifunctional copier/printer and a postage machine. The lease agreements do not specify an interest rate. The Bureau has estimated liabilities and right-of-use assets using the risk-free rate as of the inception of the leases. The Bureau signed a five-year operating lease effective February 1, 2020, for the multifunctional copier/printer with a monthly base payment of \$697. The Bureau signed a five-year operating lease effective June 1, 2017, for the postage machine with a quarterly base payment of \$395. As of year-end 2022, the Bureau extended this lease for an additional two years. At December 31, 2022, the value of the right-of-use assets was \$29,146 and accumulated amortization was \$9,749. A summary of changes in the Bureau's lease liabilities during the 2022 year are shown in the above summary of long-term debt.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

Principal and interest payments due on the lease liabilities over the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 9,746	\$ 202
2024	9,083	75
2025	697	1
	<u>\$ 19,526</u>	<u>\$ 278</u>

6. PER DIEM PAYMENTS

There were no per diem payments made during 2022 to board members of the West Baton Rouge Convention & Visitors Bureau.

7. LOUISIANA TOURISM REVIVAL FUND

During the 2021 year, the Bureau entered into a cooperative endeavor agreement with the State of Louisiana Division of Administration and received \$932,809 in funds restricted for purposes to promote tourism within the West Baton Rouge Parish through the Coronavirus State and Local Fiscal Recovery Funds for the period of March 3, 2021 through December 31, 2024. Funds are considered unearned until the Bureau meets the eligibility criteria for expenditures. For the 2022 year, the Bureau has earned \$411,060 and currently has a balance of \$494,069 as reported as unearned revenues.

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

8. RECONCILIATIONS

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

Fund balances - total governmental funds \$ 2,643,498

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

Capital assets used in governmental activities are not financial
statement of resources and, therefore, are not reported in the
governmental funds

Governmental capital assets & leased assets	\$ 2,467,359	
Less accumulated depreciation & amortization	<u>(795,281)</u>	
		1,672,078

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the governmental
funds

Bonds payable	\$ (56,000)	
Lease liabilities	(19,526)	
Compensated absences	<u>(53,989)</u>	
		<u>(129,515)</u>
Net position of governmental activities		<u>\$ 4,186,061</u>

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

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

Net change in fund balances - total governmental funds	\$ 540,574
--	------------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 19,180	
Depreciation and amortization expense	<u>(93,209)</u>	
		(74,029)

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Principal payments	<u>36,620</u>	
		36,620

Some expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	<u>\$ (18,130)</u>	
		(18,130)

Change in net position of governmental activities	<u>\$ 485,035</u>
---	-------------------

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Notes to the Financial Statements, Continued

December 31, 2022

10. NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

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

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

GASB Statement 99, Omnibus 2022: The requirements of this statement related to the enhancement in comparability in accounting and financial reporting are effective for periods beginning after June 15, 2022.

GASB Statement 100, Accounting Changes and Error Correction — an amendment of GASB Statement No. 62: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement 101, Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That object is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement is effective for the fiscal year beginning after December 15, 2023.

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

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Required Supplementary Information

December 31, 2022

WEST BATON ROUGE CONVENTION & VISITORS BUREAU

Statement of Revenues, Expenditures and

Changes in Net Position

Budget (Legal Basis) and Actual - General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts GAAP Basis	Nonbudgeted Items and Adjustments	Actual (Budgetary Basis)	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final				
Revenues						
Conference center	\$ 100,000	\$ 100,000	\$ 145,022	\$ (4,441) ²	\$ 140,581	\$ 40,581
Special events	-	-	1,953	-	1,953	1,953
Hotel-Motel tax	600,000	600,000	812,929	-	812,929	212,929
Interest income	200	200	7,746	-	7,746	7,546
Grants and other income	-	-	76,523	-	76,523	76,523
Total revenues	700,200	700,200	1,044,173	(4,441)	1,039,732	339,532
Expenditures						
General government						
Advertising and marketing	10,000	13,000	81,222	(282)	80,940	(67,940)
Maintenance, repairs and security	79,000	114,000	109,204	(5,923)	103,281	10,719
Catering expenses	60,000	110,000	80,395	-	80,395	29,605
Office, supplies and postage	5,620	7,120	33,206	1,072 ¹	34,278	(27,158)
Audit and accounting	50,000	67,000	64,863	-	64,863	2,137
Insurance	25,000	25,000	22,205	-	22,205	2,795
Salaries, wages and related expenses	499,000	501,500	414,869	(524)	414,345	87,155
Utilities & telephone	42,000	42,000	44,397	647 ¹	45,044	(3,044)
Capital outlays	5,000	5,000	1,770	-	1,770	3,230
Debt service						
Principal	-	-	9,620		9,620	(9,620)
Interest	-	-	328		328	(328)
Total expenditures	775,620	884,620	862,079	(5,010)	857,069	27,551
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (75,420)</u>	<u>\$ (184,420)</u>	182,094	<u>\$ 569</u>	<u>\$ 182,663</u>	<u>\$ 367,083</u>
Total fund balance						
Beginning			515,045			
Ending			<u>\$ 697,139</u>			

Explanation of differences

¹ Expenditures are budgeted on the cash basis - prior year's accounts payable \$10,379 are added and current year's accounts payable are subtracted \$15,389

² Revenues are budgeted on the cash basis - prior year's accounts receivable \$2,158 are added and current year's accounts receivable are subtracted \$6,599

WEST BATON ROUGE CONVENTION & VISITORS BUREAU**Statement of Revenues, Expenditures and****Year Ended December 31, 2022****Changes in Net Position****Budget (Legal Basis) and Actual - Special Revenue Fund**

	Budgeted Amounts		Actual Amounts	Nonbudgeted	Actual	Budget to GAAP
	Original	Final	GAAP Basis	Items and	(Budgetary	Differences
				Adjustments	Basis)	Favorable
						(Unfavorable)
Revenues						
Special events	\$ 40,000	\$ 40,000	\$ 37,708	\$ -	\$ 37,708	\$ (2,292)
From the State:						
Sales tax rebate	500,000	500,000	741,539	-	741,539	241,539
Interest income	1,000	1,000	35,247	-	35,247	34,247
Grants and other income	24,000	24,000	357,815	12,185 ²	370,000	346,000
Total revenues	565,000	565,000	1,172,309	12,185	1,184,494	619,494
Expenditures						
General government						
Advertising and marketing	196,600	598,238	429,545	(19,622) ¹	409,923	188,315
Maintenance, repairs and security	15,000	15,000	25,139	-	25,139	(10,139)
Office, supplies and postage - Special Events	109,000	169,000	229,564	(50,769) ¹	178,795	(9,795)
Intergovernmental	-	-	82,700	-	82,700	(82,700)
Capital outlays	250,000	250,000	17,410	-	17,410	232,590
Debt service						
Principal	27,000	27,000	27,000	-	27,000	-
Interest	1,270	1,270	2,471	-	2,471	(1,201)
Total expenditures	598,870	1,060,508	813,829	(70,391)	743,438	317,070
Excess (Deficiency) of Revenues over Expenditures	\$ (33,870)	\$ (495,508)	358,480	\$ 82,576	\$ 441,056	\$ 936,564
Total fund balance						
Beginning			1,587,879			
Ending			<u>\$ 1,946,359</u>			

Explanation of differences¹ Expenditures are budgeted on the cash basis - prior year's accounts payable \$19,462 are added and current year's accounts payable are subtracted \$89,853² Revenues are budgeted on the cash basis - prior year's accounts receivable \$12,185 are added and current year's accounts receivable are subtracted \$0

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU

Other Supplementary Information

December 31, 2022

WEST BATON ROUGE CONVENTION & VISITORS BUREAU*Schedule of Compensation, Benefits and Other Payments to
Agency Head**Year Ended December 31, 2022***Agency Head Name: Kathy Gautreau****Purpose**

Salary	\$ 94,630
Benefits - insurance	9,906
Benefits - retirement	4,628
Cell phone	600
Per diem	156
Reimbursements	167
Travel - trade shows	2,111
Special meals	340
Uniforms	242
Memberships	110
	<u>\$ 112,890</u>

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Belleview Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA – Retired

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the West Baton Rouge Convention and Visitors Bureau, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Convention and Visitors Bureau’s basic financial statements and have issued our report thereon dated June 19, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the West Baton Rouge Convention and Visitors Bureau’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Baton Rouge Convention and Visitors Bureau’s internal control. Accordingly, we do not express an opinion on the effectiveness of the West Baton Rouge Convention and Visitors Bureau’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Baton Rouge Convention and Visitors Bureau's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baxley & Associates, LLC

Plaquemine, Louisiana
June 19, 2022

WEST BATON ROUGE CONVENTION & VISITOR'S BUREAU***Schedule of Prior Findings******December 31, 2022***

Fiscal Year Finding		Description of Finding	Status of the Finding	Current Year Finding Ref No.
Ref No.	Initially Occurred			

There were no prior year findings reported.

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Belleview Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA – Retired

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the **Governing Board of West Baton Rouge Convention and Visitors Bureau** and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **January 1, 2022 through December 31, 2022**. **West Baton Rouge Convention and Visitors Bureau's** management is responsible for those C/C areas identified in the SAUPs.

West Baton Rouge Convention and Visitors 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, 2022 through December 31, 2022**. 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:

1) Written Policies and Procedures

- A. 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:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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).

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***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.
- xii. ***Prevention of 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.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund,

quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- iii. 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.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exception: The general fund budget to actual was only presented quarterly.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written 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); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. 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;
- iv. 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; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and 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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) *Contracts*

- A. 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. 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.

9) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours

to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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

Exception: For salaried employees, there was no documented daily attendance (time sheets).

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.
- B. 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.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

- B. Observe that 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).
- C. 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 that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions noted.

We were engaged by **West Baton Rouge Convention and 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 **West Baton Rouge Convention and 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.

Baxley & Associates, LLC

Baxley & Associates, LLC

Plaquemine, Louisiana

June 19, 2023

WEST BATON ROUGE CONVENTION AND VISITORS BUREAU

Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2022

Management's Response to Exceptions:

2. The West Baton Rouge CVB was not aware that the Budget vs Actual Report had to be presented to the Board of Directors at every board meeting. We have always presented this report quarterly. I feel we should have been notified of this change. We have implemented this change and are presenting monthly now.

9. Salaried employees had not been keeping time sheets due to the fact we were not aware that it was necessary. We have implemented time sheets for salary employees this year.