

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

(Audited Financial Statements and Other Information)

RUSTON, LOUISIANA

DECEMBER 31, 2022

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Ruston-Lincoln Convention and Visitors Bureau provides an overview of the Bureau's financial activities for the fiscal years ended December 31, 2022 and 2021. Please read it in conjunction with the Bureau's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the **Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments***.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Bureau as a whole. Fund financial statements start on Page 6. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Bureau's operations in more detail than the government-wide statements by providing information about the Bureau's most significant funds. The accompanying financial statements present information only on the funds maintained by the Bureau.

Reporting the Funds Maintained by the Bureau as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the Bureau as a whole begins on Page 4. The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Bureau as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

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

In the Statement of Net Position and the Statement of Activities, we record the activities in the funds maintained by the Bureau as governmental and proprietary fund activities.

Governmental activities - expenses related to, and resources provided for, the solicitation and servicing of conventions and visitor activities.

Business activities - is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Reporting the Most Significant Funds Maintained by the Bureau

Our analysis of the major funds maintained by the Bureau begins on Page 6. The fund financial statements provide detailed information about the most significant funds maintained by the Bureau - not necessarily the Bureau as a whole. The Bureau's funds use the following accounting approaches.

Governmental fund - All of the Bureau's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Bureau's operations and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bureau expenses.

Proprietary fund – the Enterprise Fund is used mainly for the transfer of funds and expenditure of funds for payment of the debt service. It is also used for tourism purposes, including the promotion of fairs and festivals in Lincoln parish, and for economic development in Lincoln Parish.

THE FUNDS MAINTAINED BY THE BUREAU AS A WHOLE

The Bureau's total net position changed from a year ago, increasing to \$3,062,539 from \$3,002,787. This increase amounted to \$59,752, or 2.00% for the year ended December 31, 2022.

Table 1
Net Assets

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Current assets	1,633,774	1,529,311
Other assets	-	1,678
Capital assets, net	<u>1,435,683</u>	<u>1,477,646</u>
Total assets	3,069,457	3,008,635
Current liabilities	6,918	5,848
Long-term liabilities	-	-
Total liabilities	<u>6,918</u>	<u>5,848</u>
Net assets:		
Unrestricted/undesignated	1,626,856	1,525,141
Net investment in capital assets, net of related debt	<u>1,435,683</u>	<u>1,477,646</u>
Total net assets	<u>3,062,539</u>	<u>3,002,787</u>

Table 2
Changes in Net Position

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues		
Government - taxes	731,091	729,527
Business-type	-	250,000
Interest	2,956	298
Charges for services	<u>423,081</u>	<u>593,600</u>
Total revenues	1,157,128	1,573,425
Expenses		
Government	1,097,376	773,049
Business-type	-	-
	<u>1,097,376</u>	<u>773,049</u>
Increase in net position	<u>59,752</u>	<u>800,376</u>

CAPITAL ASSETS

At the end of 2022, the Bureau had invested \$2,225,234 in capital assets from those funds maintained by the Bureau.

Table 3
Capital Assets at Year End

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Building	1,636,569	1,636,569
Construction in progress	-	-
Land	414,576	414,576
Furniture and equipment	<u>174,089</u>	<u>174,089</u>
	2,225,234	2,225,234
<u>Less-accumulated depreciation</u>	<u>(789,551)</u>	<u>(747,588)</u>
	<u>1,435,683</u>	<u>1,477,646</u>

FUTURE OPERATIONS

The Bureau derives the majority of its revenue from two main sources. At the local level, the Bureau receives revenue through the Lincoln Parish Police Jury on the Lodging Tax assessed and collected on hotel/motel revenue. On the state level, the Bureau receives revenue from the State of Louisiana as an allocation of the state sales tax allocated to Lincoln Parish. The Bureau does not expect any major fluctuations in these revenues in the succeeding year. In prior years, the Bureau began the acquisition of financing and planning the construction of a new Convention and Visitor's Center. The commencement of construction and placement in service of the Convention and Visitor's Center was completed in the spring

of 2008. The completion of the new facility substantially increased the capital assets of the Bureau, while providing a new and spacious facility for the Bureau to operate on a daily basis, as well as providing a venue for convention and visitors to the area. There were no material capital asset acquisitions in 2022 and 2021.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Bureau and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ruston-Lincoln Convention and Visitors Bureau, 2111 North Trenton Street, Ruston, Louisiana 71270.

AUDITED FINANCIAL STATEMENTS



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June 30, 2022

To the Board of Directors
Ruston-Lincoln Convention and Visitor's Bureau
Ruston, Louisiana

Independent Auditor's Report

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities and the major funds of the Ruston-Lincoln Convention and Visitor's Bureau ("the Bureau") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, and each major fund as of December 31, 2022, and the changes in its position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bureau and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 GAAS, and *Government 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, including omissions, 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 GAAS and *Government 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 Bureau's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 on Pages i through iv and budgetary comparison information on pages 21-23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bureau's basic financial statements. The information required in accordance with Louisiana Revised Statute 24:513(A)(3) on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information 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 30, 2023 on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Bureau's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and cash equivalents	1,200,627	-	1,200,627
Certificates of deposit	433,147	-	433,147
Accounts receivable	-	-	-
Prepaid expenses	-	-	-
Bond issue costs-net	-	-	-
Fixed assets, net of accumulated depreciation	<u>1,435,683</u>	<u>-</u>	<u>1,435,683</u>
Total assets	<u>3,069,457</u>	<u>-</u>	<u>3,069,457</u>
<u>Liabilities and net position:</u>			
Liabilities:			
Accounts payable	-	-	-
Accrued payroll liabilities	6,918	-	6,918
Bonds payable	-	-	-
Total liabilities	<u>6,918</u>	<u>-</u>	<u>6,918</u>
<u>Net position:</u>			
Unrestricted/undesignated	1,626,856	-	1,626,856
Net investment in capital assets, net of related debt	<u>1,435,683</u>	<u>-</u>	<u>1,435,683</u>
Total net position	<u>3,062,539</u>	<u>-</u>	<u>3,062,539</u>
Total liabilities and net position	<u>3,069,457</u>	<u>-</u>	<u>3,069,457</u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Program Activities</u>				
<u>Governmental Activities:</u>				
Operating expenditures	(1,097,376)	423,081	-	-
<u>Business-Type Activities:</u>				
Enterprise Fund	-	-	-	-
	<u>(1,097,376)</u>	<u>423,081</u>	<u>-</u>	<u>-</u>

General Revenues:

Lodging Tax and Sales Tax Collections

Interest Earned

Transfers

Total General Revenues

Changes in Net Position

Net Position-Beginning of year

Net Position-End of year

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

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(674,295)	-	(674,295)
<u>-</u>	<u>-</u>	<u>-</u>
(674,295)	-	(674,295)
731,091	-	731,091
-	2,956	2,956
<u>2,956</u>	<u>(2,956)</u>	<u>-</u>
<u>734,047</u>	<u>-</u>	<u>734,047</u>
59,752	-	59,752
<u>3,002,787</u>	<u>-</u>	<u>3,002,787</u>
<u>3,062,539</u>	<u>-</u>	<u>3,062,539</u>

FUND FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-GOVERNMENTAL FUNDS

DECEMBER 31, 2022

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	1,200,627
Certificates of deposit	433,147
Accounts receivable	-
Prepaid expenses	-
Bond issue costs-net	<u>-</u>
Total assets	<u>1,633,774</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities:</u>	
Accounts payable	-
Accrued payroll liabilities	<u>6,918</u>
Total liabilities	6,918
 <u>Fund balance:</u>	
Non-spendable	-
Spendable:	
Unassigned	<u>1,626,856</u>
Total fund balance	<u>1,626,856</u>
Total liabilities and fund balance	<u>1,633,774</u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES

TO NET POSITION OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2022

Total Governmental Fund Balances 1,626,856

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 1,435,683

Obligations in governmental activities that do not require current financial resources are not reported in the funds -

Net Position of Governmental Activities 3,062,539

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>
<u>Revenues:</u>	
Lodging tax collections	731,091
Other revenues	<u>423,081</u>
Total revenues	1,154,172
<u>Expenditures:</u>	
Accounting/audit	17,900
Advertising	169,654
Auto expense	10,215
Bond principal and interest	-
Collection administration	1,378
Dues and subscriptions	10,000
Grants	375,469
Hospitality and tourism awareness	10,874
Miscellaneous expenses	7,816
Office supplies and expense	3,359
Operating expenses	44,330
Payroll expense	264,345
Peach festival expenses	69,362
Postage	885
Promotional fees	3,822
Research	4,718
Retirement match	10,879
Staff training	6,535
Telephone and connectivity	28,451
Travel-air	1,281
Travel-lodging	5,375
Travel-meals and entertainment	294
Utilities	<u>8,471</u>
Total expenditures	<u>1,055,413</u>
<u>Excess of revenues over expenditures</u>	98,759

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>
<u>Other financing sources (uses):</u>	
Operating transfers-interest	2,956
Debt service transfers-principal	<u>-</u>
Total financing sources	2,956
<u>Excess of revenues and other financing sources over expenditures and other uses</u>	101,715
<u>Fund balances, beginning of year</u>	<u>1,525,141</u>
<u>Fund balances-end of year</u>	<u>1,626,856</u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RECONCILIATION OF NET CHANGE IN FUND BALANCES-GOVERNMENTAL

FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Total Governmental Funds 101,715

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

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

Capital assets purchases capitalized	-
Depreciation expense	(41,963)

Governmental funds report the expenditures to service the debt over the life of the bond issue:

Debt service principal	<u>-</u>
------------------------	----------

Change in Net Position in Governmental Activities 59,752

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-PROPRIETARY FUND

DECEMBER 31, 2022

	<u>Business-Type Activities Enterprise Fund</u>
<u>Assets:</u>	
Cash and cash equivalents	-
Certificates of deposit	<u>-</u>
Total assets	<u><u>-</u></u>
<u>Liabilities and fund balance:</u>	
Liabilities	-
<u>Net assets:</u>	
Accumulated earnings	<u>-</u>
Total liabilities and net assets	<u><u>-</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS-

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Business-Type Activities Enterprise Fund</u>
<u>Revenues:</u>	
Operating transfers in	-
<u>Expenditures:</u>	
Operating transfer out	<u>-</u>
<u>Operating income</u>	-
<u>Non-operating revenues:</u>	
Interest income	-
<u>Other financing resources (uses):</u>	
Operating transfers out	<u>-</u>
<u>Change in net assets</u>	-
<u>Net assets, beginning of year</u>	<u>-</u>
<u>Net assets, ending of year</u>	<u><u>-</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF CASH FLOWS-

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Business-Type Activities Enterprise Fund</u>
<u>Increase in cash and cash equivalents:</u>	
<u>Cash flows from operations:</u>	
Transfer from Proprietary Fund	-
Payments to provide services	-
Net cash provided by operating activities	<u>-</u>
<u>Cash flows from investing activities:</u>	
Interest income	-
Net cash provided by investing activities	<u>-</u>
<u>Cash flows from noncapital financing activities:</u>	
Transfer to General Fund	-
Net cash (used) by noncapital financing activities	<u>-</u>
<u>Net increase (decrease) in cash and cash equivalents</u>	-
<u>Cash and cash equivalents, beginning of year</u>	<u>-</u>
<u>Cash and cash equivalents, end of year</u>	<u><u>-</u></u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	-
Net cash provided by operating activities	<u><u>-</u></u>

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

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies

The Ruston-Lincoln Convention and Visitors Bureau (the Bureau) was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and nonprofit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June 1999, the GASB unanimously approved **Statement No. 34**, "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.*" Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Bureau has also adopted GASB **Statement No. 54**, "*Fund Balance Reporting and Governmental Fund Type Definitions*" and **GASB Statement No. 63**, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*"

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – (GWFS) The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements – (GFFS) The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Bureau considers revenues to be available if they are collected within 60 days of the end of the fiscal year end.

Principal revenue sources considered susceptible to accrual include hotel and motel taxes levied by the Lincoln Parish Police Jury and state sales tax allocated to Lincoln Parish by the State of Louisiana. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

1. Summary of Significant Accounting Policies (Continued)

Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. A fund is considered major if it is the primary operating fund of the Bureau or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Proprietary Fund Financial Statements – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described above.

Each proprietary fund has the option under **Governmental Accounting Standards Board (GASB), Statement 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"** to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Bureau's enterprise fund has elected not to apply FASB issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Accounting

The financial activities of the Bureau are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Bureau uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The content and certain titles of the GWFS were changed upon the adoption by the Bureau of **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Bureau had no deferred outflows or inflows of resources at December 31, 2022.

Fund Equity in Fund Financial Statements

Governmental fund equity is classified as fund balance. The Bureau implemented **GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions."** This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and net bond issue costs as being non-spendable as these items are not expected to be converted to cash.

1. Summary of Significant Accounting Policies (Continued)

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources that are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

There were no restricted resources at year end for the Bureau.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Bureau's board of directors, which is the Bureau's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Bureau did not have any committed resources as of year-end.
- Assigned: This classification includes spendable amounts that are reported in governmental funds, other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of **GASB Statement 54**. The intent of an assigned fund balance should be expressed by either the Bureau's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the administrator, that has the authority to assign amounts to be used for specific purposes. The Bureau did not have any assigned resources as of year-end.
- Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Bureau would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Governmental Funds

General Fund – This fund accounts for all activities of the Bureau not specifically required to be accounted for in other funds.

Proprietary Funds

Enterprise Fund – The Enterprise Fund is used mainly for the transfer of funds and expenditure of funds for payment of the debt service. It is also used for tourism purposes, including the promotion of fairs and festivals in Lincoln parish, and for economic development in Lincoln Parish as provided by Act 983 of the 1992 Regular Legislative Session.

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is then adopted by the Board of Commissioners. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year.

Unexpended budget balances lapse at year end. The Bureau's Board of Directors has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board. The Board of Directors is nominated, elected, and approved by the existing Board members, and members terms vary in duration depending upon the Bureau's needs and Board of Directors willingness to serve.

Cash and Cash Equivalents

Cash includes demand deposits, money market accounts and certificates of deposit with maturity dates of three months or less from the end of the year. Under state law, the Bureau may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Bureau may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value – the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the banks as of that date.

Fund Equity in Government-Wide Financial Statements

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

- a. Net 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 – Consists of net position with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There was no restricted net position at December 31, 2022.
- c. Unrestricted net position – All other net positions that do not meet the definition of "restricted" or "net invested in capital assets, net of related debt."

1. **Summary of Significant Accounting Policies** (Continued)

Capital Assets

The Bureau has adopted the provisions of Governmental Accounting Standards Board Statement No. 34 as pertaining to capital assets and depreciation. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Bureau maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The purchase or acquisition of capital assets is recorded in the Statement of Net Position and Statement of Revenues, Expenditures, and Changes in Fund Balance. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7 - 10 years
Computer and office equipment	5 - 7 years

2. **Cash**

At year end, the carrying amount (book amount) of the Bureau's cash and cash equivalents was \$1,200,627. Such deposits are held in financial institutions insured by the FDIC, and management reviews the safety and soundness of such institutions in its efforts to mitigate credit risk.

3. **Property and Equipment**

Capital asset activity for the year ended December 31, 2022 is as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>12-31-21</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>12-31-22</u>
Building	1,636,569	-	-	-	1,636,569
Land	414,576	-	-	-	414,576
Furniture and equipment	174,089	-	-	-	174,089
Construction in progress	-	-	-	-	-
	<u>2,225,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,225,234</u>
<u>Less-accumulated depreciation</u>	<u>(747,588)</u>	<u>(41,963)</u>	<u>-</u>	<u>-</u>	<u>(789,551)</u>
Net fixed assets	<u>1,477,646</u>	<u>(41,963)</u>	<u>-</u>	<u>-</u>	<u>1,435,683</u>

Depreciation expense for the year ended December 31, 2022 was \$41,963.

4. **Investments**

Other than certificates of deposits in the amount of \$433,147, the Bureau had no other investment securities at December 31, 2022.

5. **Accounts Receivable**

The accounts receivable at December 31, 2022 is as follows:

Trade accounts receivable	-
Lodging tax collections	-
Accrued interest	-
	<hr/>
Total	<hr/> <hr/>

Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

6. **Litigation and Claims**

The Lincoln Parish Convention and Visitors Bureau had no pending or threatened litigation as of December 31, 2022.

7. **Bond Payable**

As of June 28, 2007, the Board of Directors of the Ruston-Lincoln Convention and Visitors Bureau issued **Revenue Bonds, Series 2007** for the purposes of providing funds to pay for the construction of a Visitors Center and Office Complex. The Complex is occupied by the Ruston-Lincoln Convention and Visitors Bureau and the Ruston-Lincoln Chamber of Commerce staff. As of December 18, 2012, the Board of Directors voted to issue \$1,150,000 aggregate principal amount of **Revenue Refunding Bonds, Series 2012** for the purpose of refunding and extending the Revenue Bonds, Series 2007. The issuance was made pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and also under other constitutional and statutory authority. The Series 2012 bonds will mature July 1, 2022, with interest due semi-annually on January 1st and July 1st and scheduled principal reduction due each July 1st until maturity. The bond will bear interest at a variable, increasing rate, with a beginning rate of 0.75% and not exceeding 3.25% at any maturity, and are also not callable for redemption prior to their stated maturity dates. The Board elected to pay off the remaining balance of the outstanding bond payable in the year ended December 31, 2021.

The following is a summary of bond payable at December 31, 2022:

Ruston-Lincoln Convention and Visitors Bureau, Revenue Bonds Series 2007, bearing interest at 4.10%, principal payments begin July 1, 2008 and final maturity July 1, 2017	2,000,000
<u>Less:</u> Original issue discount	-
Principal payments-prior periods	(900,000)
Principal payments-current year	-
Payoff of Series 2007 bonds-2012	<u>(1,100,000)</u>
Net Series 2007 bonds due	-
 Ruston-Lincoln Convention and Visitors Bureau, Revenue Refunding Bonds, Series 2012, bearing interest at variable increasing rates not to exceed 3.25%, principal payments beginning July 1, 2015 and final maturity at July 1, 2022	 1,150,000

7. **Bond Payable** (Continued)

<u>Less:</u> Original issue discount	-
Principal payments-prior periods	(1,150,000)
Principal payments-current year	<u>-</u>
 Net Refunding Bonds, Series 2012 bonds due	 <u><u>-</u></u>

The annual debt service requirements to for the next five (5) years and to maturity, including principal only, for bonds payable as of December 31, 2022 are as follows:

2023	<u>-</u>
	<u><u>-</u></u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

BUDGETARY COMPARISON SCHEDULES

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget</u>	
	<u>Original</u>	<u>Amended</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Lodging tax collections	683,800	780,000	731,091	(48,909)
Other revenues	50	50	423,081	423,031
Interest income	<u>275,600</u>	<u>275,100</u>	<u>2,956</u>	<u>(272,144)</u>
Total revenues	959,450	1,055,150	1,157,128	101,978
<u>Expenditures:</u>				
Accounting/audit	11,000	18,000	17,900	100
Advertising	217,500	204,000	169,654	34,346
Auto	9,600	11,100	10,215	885
Collection	2,750	2,750	1,378	1,372
Community support	5,000	5,000	-	5,000
Debt service	-	-	-	-
Dues and subscriptions	10,000	10,000	10,000	-
FAM tours	2,500	1,000	-	1,000
Grants	300,000	376,150	375,469	681
Hospitality and tourism	5,000	11,000	10,874	126
Miscellaneous	-	-	7,816	(7,816)
Office supplies	4,500	3,750	3,359	391
Operating expenses	78,600	98,600	44,330	54,270
Peach Festival expenses	-	-	69,362	(69,362)
Personnel	283,000	286,000	264,345	21,655
Postage	1,000	1,000	885	115
Promotional fees	9,000	6,000	3,822	2,178
Registration fees	-	-	-	-
Research	5,000	5,000	4,718	282
Retirement plan match	-	-	10,879	(10,879)
Staff training	7,500	8,000	6,535	1,465
Telephone and utilities	-	-	36,922	(36,922)
Travel-air	5,000	1,500	1,281	219
Travel-lodging	1,500	6,000	5,375	625
Travel-meals	<u>1,000</u>	<u>300</u>	<u>294</u>	<u>6</u>
Total expenditures	<u>959,450</u>	<u>1,055,150</u>	<u>1,055,413</u>	<u>(263)</u>

The accompanying notes to the budgetary comparison schedule are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget</u>	
	<u>Original</u>	<u>Amended</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
<u>Excess of revenues over expenditures</u>	-	-	101,715	101,715
<u>Other financing sources:</u>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess of revenues and other sources over expenditures</u>	-	-	101,715	101,715
<u>Fund balance at beginning of year</u>	<u>-</u>	<u>-</u>	<u>1,525,141</u>	<u>-</u>
<u>Fund balance at end of year</u>	<u>-</u>	<u>-</u>	<u>1,626,856</u>	<u>-</u>

The accompanying notes to budgetary comparison schedule are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2022

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is open to a public hearing on the proposed budget, and then after all actions necessary to finalize and implement the budgeted, the budget is adopted by the Board of Directors. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year, is adopted prior to the beginning of each new fiscal year and was amended during the current fiscal period.

Unexpended budget balances lapse at year end. The Bureau's Board of Directors has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board and amendments to the budget follow the same procedures and process as the original budget.

The Bureau follows these above procedures in establishing the budgetary data which is reflected in the accompanying financial statements.

OTHER REPORTS



REGIONS TOWER
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June 30, 2023

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

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, business-type activities, and the major funds information of the Ruston-Lincoln 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 Bureau's basic financial statements, and have issued our report thereon dated June 30, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion of the effectiveness of the Bureau's internal control.

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

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

Compliance and Other Matters

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

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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2022

We have audited the financial statements of the Ruston-Lincoln Convention and Tourist Bureau as of and for the year ended December 31, 2022 and have issued our report thereon dated June 30, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2022 resulted in an unmodified opinion.

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance related to the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau was disclosed during the audit.
4. Ruston-Lincoln Convention and Visitors Bureau was not subject to a Federal Single Audit for the year ended December 31, 2022.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

No findings in current year

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

Not applicable

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

None noted.

SUPPLEMENTARY INFORMATION

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH

LOUISIANA REVISED STATUTE 24:513(A)(3) (ACT 706 OF 2014)

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head: Ms. Amanda Q. Carrier

Salary	73,500
Benefits-insurance-health	16,046
Benefits-life, accidental death and dismemberment,and dental	1,000
Automobile allowance	6,600
Mileage reimbursement	678
Travel, meals, and lodging	4,924
Registration fees, seminars, and meetings	6,710
401(k) retirement plan match	3,000



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June 30, 2023

Board of Directors
Ruston Lincoln Convention and Visitor's Bureau
Ruston, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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. Management of Ruston Lincoln Convention and Visitor's Bureau is responsible for those C/C areas identified in the SAUPs.

Ruston Lincoln Convention and Visitor's Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

The entity has an adequate policy regarding budgeting.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The entity has an adequate policy regarding purchasing. Although the entity does not have a formal requisition and purchase order system due to its size, all purchases are approved by the Executive Director, with Board oversight on major acquisitions.

- c) **Disbursements**, including processing, reviewing, and approving.

The entity has an adequate policy regarding disbursements.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The entity has an adequate policy regarding receipts/collections.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

The entity has an adequate policy regarding payroll/personnel.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The entity has an adequate policy regarding contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The entity has an adequate policy regarding credit cards.

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

The entity has an adequate policy regarding travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes 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.

The entity has an adequate policy regarding ethics.

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

The entity has an adequate policy regarding debt service.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity has an adequate policy regarding information technology disaster recovery/business continuity.

- l) **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.

The entity has an adequate policy regarding sexual harassment.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- The board met with a quorum on a frequency in accordance with the entity's bylaws, with additional meetings scheduled as needed. Under its bylaws, the Board may change the frequency of its meetings as needed.*
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

The minutes referenced monthly budget-to-actual financial statement comparisons of its general fund. The minutes also included, at a minimum, annual budget-to-actual comparisons of all funds.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The entity's general fund did not reflect a negative unassigned fund balance in the prior year audit report.

- d) 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.

Not applicable; no audit findings were identified.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).

Bank reconciliations were prepared for each account selected and included evidence of having been prepared within 2 months of the related statement closing date.

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

Bank reconciliations evidenced review by an independent member of management, usually the Executive Director.

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

Management has properly documented its research regarding any reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was obtained from management.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Each employee responsible for collecting cash does not share the cash drawer with another employee.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Each employee responsible for collecting cash does not prepare or make the related bank deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Each employee responsible for collecting cash does not post collection entries to the general or subsidiary ledgers.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

The employee responsible for reconciling cash collections to the general or subsidiary ledgers is not responsible for collecting cash.

6. 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 enforced during the fiscal period.

The entity is covered for theft under an insurance policy that was in effect during the fiscal period.

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

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Payments are only processed through one location - the RLCVB office.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Job duties appear properly segregated.

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

Job duties appear properly segregated.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

Job duties appear properly segregated.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Job duties appear properly segregated.

- e) 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.

Job duties appear properly segregated.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

For all selections, no exceptions noted.

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

For all selections, no exceptions noted.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure 3, 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.

For all selections, no exceptions noted.

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

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

A listing of locations was obtained from management.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Someone other than the cardholder approved, in writing, all five cards selected.

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

Finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note 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.

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

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

- a) If reimbursed using a per diem, observe 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).

No exceptions noted.

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

No exceptions noted.

- c) Observe 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 #1h and

No exceptions noted.

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

No exceptions noted.

Contracts

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

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

No exceptions noted.

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

No exceptions to procedure noted.

- c) 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

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions to procedure noted.

Payroll and Personnel

17. 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.

Obtained listing from Management and agreed selected employees' salaries and pay rates without exception.

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

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

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

Records covering accrued and used leave appear reasonable.

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

No exceptions noted.

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

Per Management there were no termination payments in the period covered.

20. 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.

Management's representation was obtained covering these statements.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

No exceptions noted.

- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable; no changes were made during the fiscal period.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Entity has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. 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.

N/A – no debt instruments issued during the current fiscal period.

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

No exceptions noted.

Fraud Notice

25. 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.

N/A – no misappropriations of public funds identified during the fiscal period.

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

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

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

a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions noted.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, 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.

No exceptions noted.

30. 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).

No exceptions noted.

31. 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 it includes the applicable requirements of R.S. 42:344:

a. Number and percentage of public servants in the agency who have completed the training requirements.

No exceptions noted.

b. Number of sexual harassment complaints received by the agency.

No exceptions noted.

c. Number of complaints which resulted in a finding that sexual harassment occurred.

No exceptions noted.

d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

e. Amount of time it took to resolve each complaint.

No exceptions noted.

We were engaged by Ruston Lincoln Convention and Visitor’s Bureau to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

June 30, 2023