SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

FINANCIAL REPORT

DECEMBER 31, 2025

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU
Lake Charles, Louisiana

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SOUTHWEST LOUISIANA CONVENTION
AND VISITORS BUREAU

December 31, 2025

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08444.000 Audit 12/31/2025 1100.001 financial report

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Southwest Louisiana Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Southwest Louisiana Convention and Visitors Bureau as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Southwest Louisiana 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

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 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southwest Louisiana Convention 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 the Southwest Louisiana 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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southwest Louisiana Convention and Visitors Bureau's basic financial statements. The Schedule of Compensation Benefits and Other Payments to President/CEO and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to President/CEO and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2026, on our consideration of the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting and compliance.

McElroy Quirk & Burch

Lake Charles, Louisiana
June 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Southwest Louisiana Convention and Visitors Bureau's financial performance provides an overview of the Southwest Louisiana Convention and Visitors Bureau's financial activities for the year ended December 31, 2025.

USING THE ANNUAL REPORT

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

Reporting the Southwest Louisiana Convention and Visitors Bureau as a Whole

The Statement of Net Position and the Statement of Activities

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

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

Reporting the Bureau's Most Significant Funds

Fund Financial Statements

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

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

Reporting the Bureau's Fiduciary Responsibilities

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

The Bureau as a Whole

For the year ended December 31, 2025, net position changed as follows:

	Governmental Activities	
	2025	2024
Current and other assets	$ 12,888,260	$ 13,296,145
Capital assets	6,065,609	4,310,031
Total assets	18,953,869	17,606,176
Long-term debt outstanding	625,000	815,000
Right to use leased asset liability	13,663	6,907
Right to use subscription asset liability	99,732	133,732
Compensated absences	207,551	-
Other current liabilities	1,061,429	1,066,023
Total liabilities	2,007,375	2,021,662
Net position:		
Net investment in capital assets	5,327,214	3,354,392
Unrestricted	11,619,280	12,230,122
Total net position	$ 16,946,494	$ 15,584,514
Effects of GASBS No. 101 implementation		(197,985)
Net position - restated for 2024		$ 15,386,529

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

	Governmental Activities	
	2025	2024
Program revenues:		
Occupancy tax	$ 8,485,603	$ 7,723,929
Advertising	142,706	94,738
Gift shop	24,449	22,220
Intergovernmental	1,412,971	487,006
Gain on sale of assets	18,580	16,089
General revenues:		
Interest	430,589	596,131
Miscellaneous	1,106	25,390
Total revenues	10,516,004	8,965,503
Program expenses:		
Salaries and benefits	2,916,678	2,934,625
Advertising, sales and promotions	3,359,217	3,202,719
Grants	355,259	448,830
Other program expenses	1,932,177	2,747,209
Interest	32,356	43,224
Depreciation and amortization	360,352	363,522
Total expenses	8,956,039	9,740,129
Change in net position	1,559,965	(774,626)

(continued on next page)

Net position - beginning	15,386,529	16,359,140
Net position - ending	$ 16,946,494	$ 15,584,514
Effects of GASBS No. 101 implementation		(197,985)
Net position - restated for 2024		$ 15,386,529

Governmental Activities

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

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

	Total Cost of Services		Net Benefit of Services	
	2025	2024	2025	2024
Culture and recreation	$ 7,594,826	$ 7,586,432	$(6,014,700)	$(6,982,468)

The Bureau's Funds

The following schedule presents a summary of the special revenue funds and expenditures for the years ended December 31, 2025 and 2024. Also presented on the schedule is the amount and percentage of increase or decrease from amounts for the year ended December 31, 2025.

	Totals		Change	%
	2025	2024	from 2024	Variance
Revenues:				
Occupancy tax	$ 8,485,603	$ 7,723,929	$ 761,674	9.86%
Interest and dividends	430,589	596,131	(165,542)	(27.77)%
Gift shop	24,449	22,220	2,229	10.03%
Intergovernmental	1,412,971	487,006	925,965	190.13%
Cooperative advertising	142,706	94,738	47,968	50.63%
Proceeds on sale of assets	25,100	16,089	9,011	56.01%
Miscellaneous	1,106	25,390	(24,284)	(95.64)
Total revenues	$10,522,524	$ 8,965,503	$ 1,557,021	17.37%

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	Totals 2025	Totals 2024	Change from 2024	% Variance
Expenditures:				
Advertising, sales and promotions	$ 3,364,635	$ 3,202,719	$ 161,916	5.06%
Personnel services, taxes and benefits	2,913,632	2,934,625	(20,993)	(0.72)%
Accounting	54,868	51,944	2,925	5.63%
Automobile	22,995	26,692	(3,697)	(13.85)%
Building maintenance	125,306	131,776	(6,470)	(4.91)%
Equipment contracts	114,862	116,779	(1,916)	(1.64)%
Gift shop	15,044	14,764	280	1.90%
Insurance-general	173,892	199,394	(25,502)	(12.79)%
Legal/professional fees	20,740	29,729	(8,989)	(30.24)%
Miscellaneous	2,175	4,721	(2,547)	(53.94)%
Office	12,232	10,710	1,522	14.21%
Utilities	54,686	50,229	4,457	8.87%
Grants	355,259	448,830	(93,571)	(20.85)%
Capital outlay	2,122,451	954,784	1,167,667	122.30%
Economic development	64,116	973,760	(909,644)	(93.42)%
Intergovernmental	1,264,741	1,136,712	128,029	11.26%
Right of use subscription	122,892	159,348	(36,456)	(22.88)%
Right of use lease	5,678	6,226	(548)	(8.80)%
Bond retirement	190,000	185,000	5,000	2.70%
Interest expense	26,938	43,224	(16,286)	(37.67)%
Total expenditures	$11,027,141	$10,681,965	$ 345,176	3.23%

Revenue:

Revenues experienced an overall increase from prior year, primarily driven by the following factors:

- Occupancy Tax Revenue: Increased 9.86%, reflecting higher lodging demand driven by increased visitation, and the hosting of major conferences and sporting events.

- Intergovernmental revenue: Increased 190.13% due to Economic Development Administration (EDA) reimbursements received for Mardi Gras Museum construction costs and grant administration activities.

- Cooperative Programs: Revenue increased 50.63%, primarily due to municipal sponsorships associated with hosting the World LNG Summit and increased sports field rental activity resulting from higher tournament participation. The increase was partially offset by funding received in the prior year for the City of Lake Charles Sports Facilities Project study.

The increase was partially offset by the following decreases in revenue:

- Interest and Dividends: Revenue decreased 27.77%, primarily due to lower interest rates and reduced cash balances resulting from expenditures on major capital projects.

Expenses:

Overall, expenses increased from prior year primarily due to the following:

- Advertising, Sales, and Promotions: Expenses increased 4.89%, driven by expanded media investments and marketing partnerships designed to enhance destination visibility and reach new audiences, including placements with Atlas Obscura, collaborations with the Louisiana Office of Tourism and Travel South USA for the Michelin Guide program, and targeted regional campaigns. Business Promotion expenses also increased due to hosting the Louisiana Food & Wine Festival and major conferences, including the Louisiana Travel Summit, America's LNG Summit, and the STS Connections Conference, as well as additional sponsorships, partnership opportunities, public relations initiatives, and other tourism development activities.

- Capital Outlay: Expenses increased 122.30%, primarily due to the completion of the Mardi Gras Museum construction project in 2025, compared to the prior year's Annex addition project.

The increases in expenses were offset by the following reductions:

- Grant Programs: Expenses decreased by 20.85%, primarily due to investments in the Westlake High School sports project in the prior year, partially offset by the current year's Product Enhancement Grant awarded for the City of Sulphur Signage Project.

- Economic Development: Expenses in this category decreased 93.42%, compared to the prior year, primarily due to the completion of the McNeese Sports Facility Project and the Port Wonder Project in 2024. In addition, construction costs associated with the Mardi Gras Museum were reported within Capital Outlay in 2025, further contributing to the decrease in this category.

Significant Budget Variances

During the year, the Bureau amended the special revenue fund budget twice to reallocate resources for strategic initiatives, including the purchase of a replacement sports department vehicle, additional Inspiration Guide printing, the opportunity to host an international conference, and adjustments related to the completion of the Mardi Gras Museum construction project. These amendments resulted in a net increase in budgeted revenues of $359,500 and a corresponding increase in budgeted expenditures of $394,500.

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

Revenues:

Occupancy Tax Revenue: Increased by $105,000 due to stronger-than-anticipated tax collections.

Cooperative Program Funding: Increased by $29,500 due to partner participation associated with hosting the World LNG Summit.

Mardi Gras Museum Funding: Increased by $200,000 to align with final EDA grant reimbursement billings.

Transfers and Gain on Sale of Assets: Increased by $60,000 to support the purchase of a replacement sports department vehicle following ongoing mechanical issues with the previous vehicle.

Expenses:

Printed Advertising: Increased by $25,000 to fund additional Inspiration Guide pages, associated design and printing costs, and expanded distribution through the Louisiana Travel Association Visitor Center Distribution Program.

Business Promotion-Sales: Increase of $29,500 due to the opportunity to host the international conference, the World LNG Summit.

Fixed Asset Purchases: Increased by $60,000 for the purchase of a replacement sports department vehicle.

Capital Assets/Mardi Gras Museum: Increased by $305,000 to align the budget with final construction costs for the Mardi Gras Museum project.

Media Advertising: Decreased by $25,000 as funds were reallocated to support the redesign and additional printing of the Inspiration Guide.

Capital Assets

At the end of December 31, 2025 and 2024, the Bureau had $6,065,609 and $4,310,031, respectively, in capital assets. See Note 3 for additional information about changes in capital assets during the year. The following table provides a summary of capital asset activity:

Capital Assets
(net of depreciation and amortization)

	2025	2024
Land and construction in progress	$ 2,507,158	$ 600,396
Building	3,229,360	3,316,729
Transportation equipment	113,088	98,856
Furniture and fixtures	88,969	138,098
Right of use lease assets	13,331	6,435
Right of use subscription assets	113,703	149,517
	$ 6,065,609	$ 4,310,031

Long-Term Debt

At the end of the fiscal year, the Bureau had total bonded debt outstanding of $625,000, a decrease of $190,000 from last year, a total right of use lease asset liability outstanding of $13,663, an increase of $6,756 from last year, a right of use subscription liability outstanding of $99,732, a decrease of $34,000 from last year, and a compensated absences liability of 207,551. The following table provides a summary of long-term debt activity:

Outstanding Debt at Year-End

	Governmental Activities	
	2025	2024
Revenue bonds (backed by specific tax and fee revenues)	$ 625,000	$ 815,000
Compensated absences liability	207,551	-
Right of use lease asset liabilities	13,663	6,907
Right of use subscription asset liabilities	99,732	133,732
	$ 945,946	$ 955,639

See Note 4 for additional information.

Economic Factors

Southwest Louisiana's tourism economy remained strong in 2025, supported by increased visitation, record convention and sports event activity, and continued marketing success. Occupancy tax collections increased nearly 10% over the prior year, reflecting higher lodging demand generated by meetings, conferences, sporting events, and leisure travel. Parish-wide hotel performance remained healthy, while visitor spending continued to grow and community support for tourism remained strong, as confirmed by the 2026 Resident Sentiment Study. Together, these factors demonstrate tourism's continued contribution to the local economy and quality of life throughout Calcasieu Parish.

In 2025, the award-winning As Much Joy As You Can Pack In campaign continued to perform exceptionally well. Visit Lake Charles' paid media and social media efforts generated more than 70 million impressions, 551,000 clicks, and 409,000 website pageviews, driving strong awareness and engagement across key leisure markets. Performance data reinforced that food-focused storytelling, itinerary content, and vertical video were the most effective drivers of visitor interest and conversion, consistently outperforming other content categories across paid, social, and owned channels. While visitors represented just 26% of overall observations, they generated a 15% larger share of in-market spending than the previous year, and out-of-state travelers accounted for 75% of all visitors, signaling continued growth in the destination's ability to attract higher-value visitors and generate economic impact.

The Group Sales team delivered a record-setting year, exceeding 2024 goals by more than 25% and securing 32,324 room nights for the destination. Visit Lake Charles hosted several major state, regional, and national conferences, including the Louisiana Municipal Association Conference, Southern Association of School Boards Conference, Louisiana Travel Summit, and Southeast Tourism Society Connections Conference, further strengthening the region's meetings and convention market.

The Lake Charles Regional Sports Authority experienced another highly successful year in 2025. The team secured several major events, including the Men's All Pro Tour Golf Championship, Louisiana High School Coaches Association Basketball All-Star Games, and the 2026-2028 NJCAA Division I Women's Basketball National Championships. Through both new and recurring events, sports tourism increased hotel room nights by 23% over the prior year, continuing to expand the economic impact of sporting events throughout Southwest Louisiana.

Contacting the Bureau's Financial Management

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

Kyle Edmiston, President/Chief Executive Officer

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION
December 31, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 11,180,152
Investments	177,436
Accounts receivable	65,213
Intergovernmental receivable	728,572
Taxes receivable	607,660
Prepaid expenses	129,227
Total current assets	12,888,260
NONCURRENT ASSETS	
Right of use leased assets, net of amortization	13,331
Right of use subscription assets, net of amortization	113,703
Capital assets not being depreciated:	
Land	459,596
Construction in progress	2,047,562
Capital assets, net of accumulated depreciation	3,431,417
Total noncurrent assets	6,065,609
Total assets	18,953,869
CURRENT LIABILITIES	
Accounts payable	860,344
Accrued liabilities	12,552
Accrued interest	11,097
Deferred compensation benefits	177,436
Current portion of long-term debt	285,412
Total current liabilities	1,346,841
NONCURRENT LIABILITIES	
Bonds payable, less current portion	425,000
Compensated absences, less current portion	197,173
Right of use leased asset liability, less current portion	8,746
Right of use subscription asset liability, less current portion	29,616
Total noncurrent liabilities	660,534
Total liabilities	2,007,375
NET POSITION	
Net investment in capital assets	5,327,214
Unrestricted	11,619,280
Total net position	$ 16,946,494

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Expenses	Charges For Services	Operating Grants and Contributions	Total Net Revenue (Expense)
Governmental activities:				
Culture and recreation	$ 7,594,826	$ 24,449	$ 1,555,677	$ (6,014,700)
Economic development	64,116	-	-	(64,116)
Interest	32,356	-	-	(32,356)
Total governmental activities	$ 7,691,298	$ 24,449	$ 1,555,677	(6,111,172)
General revenues:				
Occupancy tax				8,485,603
Interest				430,589
Gain on sale of assets				18,580
Intergovernmental expense				(1,264,741)
Miscellaneous				1,106
Total general revenues				7,671,137
Change in net position				1,559,965
Net position - beginning of year, as previously presented				15,584,514
Change in accounting principle				(197,985)
Net position - beginning of year, as restated				15,386,529
Net position - ending				$ 16,946,494

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2025

ASSETS	
Cash and cash equivalents	$ 11,180,152
Investments	177,436
Accounts receivable	65,213
Intergovernmental receivable	728,572
Taxes receivable	607,660
Prepaid expenses	129,227
Total assets	$ 12,888,260
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	$ 860,344
Accrued liabilities	12,552
Accrued interest	11,097
Deferred compensation benefit	177,436
Total liabilities	1,061,429
Fund equity:	
Fund balance:	
Committed	10,136,491
Unassigned	1,690,340
Total fund equity	11,826,831
Amounts reported for governmental activities in the statement of net position are different because:	
Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,331
Right of use subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.	113,703
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds, consisting of:	
Land and construction in progress	2,507,158
Capital assets, net of $2,222,664 accumulated depreciation	3,431,417
	5,938,575
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds	(945,946)
Net position of government activities	$ 16,946,494

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

Revenues:	
Occupancy tax	$ 8,485,603
Interest, dividends	430,589
Gift shop	24,449
Intergovernmental	1,412,971
Advertising revenues	142,706
Proceeds from sale	25,100
Miscellaneous	1,106
Total revenues	10,522,524
Expenditures:	
Current:	
Culture and recreation	9,481,346
Economic development	64,116
Intergovernmental	1,264,741
Debt service:	
Principal	190,000
Interest	26,938
Total expenditures	11,027,141
Other financing sources (uses):	
Issuance of right of use asset liabilities	101,326
Excess (deficiency) of expenditures over revenues	(403,291)
Fund balance - beginning	12,230,122
Fund balance - ending	$ 11,826,831

(continued on next page)

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
Year Ended December 31, 2025
(Continued)

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:	
Net change in fund balances-total governmental funds	$(403,291)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	2,122,451
Proceeds from sale of capital assets in excess of gain on sale	-
Depreciation expense	(230,108)
(Loss on sale of asset)	(6,520)
Net effect of compensated absences liability recognition	(9,566)
Net effect of right of use lease liability recognition	(6,757)
Net effect of right of use subscription liability recognition	34,000
Amortization expense for intangible assets	(130,244)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Bond principal payments	190,000
Change in net position of governmental activities	$ 1,559,965

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
December 31, 2025

ASSETS	
Investments	$ 3,303,281
LIABILITIES	
Deferred compensation benefits	$ 3,303,281

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
Year Ended December 31, 2025

ADDITIONS	
Employee and employer contributions	$ 354,076
Net appreciation in fair value of investments	318,922
Dividend earnings	133,247
Total additions	806,245
DEDUCTIONS	
Withdrawals	77,515
Fees	25,815
Total deductions	103,330
Change in net position	702,915
Net position held in agency funds:	
Beginning of year	2,600,366
End of year	$ 3,303,281

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

A. NATURE OF BUSINESS

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

B. REPORTING ENTITY

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

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

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

C. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

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

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

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

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

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

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

Revenues:

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

Expenditures:

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

Advertising:

The Bureau elects to expense advertising cost as incurred. The advertising cost for the year ended December 31, 2025 amounted to $3,359,217.

Pervasiveness of estimates:

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

Deferred outflows of resources and deferred inflows of resources:

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Net position flow assumption:

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

E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

During the year ended December 31, 2025, budgeted amounts for revenues were increased $359,500 and expenditures were increased $394,500. Revenues increased due to an increase for partner participation in hosting the World LNG Summit, increased occupancy due to Mardi Gras Museum, and the gain on sale of a vehicle. Expenditures increased due to Mardi Gras Museum construction, an increase in printed advertisement costs, increase in sponsorship related fees, and cost to replace the sports vehicle.

F. DEPOSITS AND INVESTMENT DEPOSITS

DEPOSITS

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

Credit Risk. Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. government, obligations issued or guaranteed by an agency established by the U.S. government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality, or school district. The Bureau's bank demand and time deposits at the end were entirely covered by federal depository insurance or by pledge of securities owned by the financial institution in the Bureau's name.

The deposits at December 31, 2025 are as follows:

December 31, 2025	Demand Deposits
Carrying amount	$ 11,179,712
Bank balances:	
a. Federally insured	$ 500,000
b. Collateralized by securities held by the pledging financial institution	10,757,114
c. Uncollateralized and uninsured	-
Total bank balances	$ 11,257,114

INVESTMENTS

As of December 31, 2025, the Bureau had the following investments.

Investment Type	Fair Value
Merrill Lynch-mutual fund portfolio	$ 177,436

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

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

G. CAPITAL ASSETS AND DEPRECIATION

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

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

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

H. COMPENSATED ABSENCES

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

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

I. BAD DEBTS

No reserve for uncollectible receivables had been recorded as of December 31, 2025, as all receivables were considered collectible.

J. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of uncollected occupancy tax assessments.

K. RIGHT OF USE LEASE ASSETS

The Bureau has recorded right of use lease assets as a result of implementing GASB 87. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

L. RIGHT OF USE SUBSCRIPTION ASSETS

The Bureau has recorded right of use subscription assets as a result of implementing GASB 96. The right of use subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, less subscription incentives, and plus ancillary charges necessary to place the subscription into service. The right of use subscription assets are amortized on a straight-line basis over the life of the related subscription term.

M. ADOPTION OF NEW ACCOUNTING PRINCIPLE

During the year ended December 31, 2025, the Bureau implemented GASB Statement No. 101, Compensated Absences. This statement establishes recognition and measurement criteria for compensated absences, including annual and sick leave, and certain other leave benefits and requires that a liability be recognized for leave that has been earned and is available to be used or paid to employees.

Note 2. Lease Agreement

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

Note 3. Capital Assets

Capital asset activity for the year ending December 31, 2025 was as follows:

	Balance 1/1/25	Additions	Deductions	Balance 12/31/25
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 459,596	$ -	$ -	$ 459,596
Construction in progress	140,800	1,913,802	7,040	2,047,562
Total capital assets not being depreciated	600,396	1,913,802	7,040	2,507,158
Capital assets being depreciated/amortized:				
Building and grounds	4,839,146	51,579	-	4,890,725
Furniture and equipment	494,983	2,789	-	497,772
Transportation equipment	254,491	59,995	48,902	265,584
Right of use lease assets	40,047	12,434	14,306	38,175
Right of use subscription assets	418,303	88,892	253,969	253,226
Total capital assets being depreciated/amortized	6,046,970	215,689	317,177	5,945,482
Less accumulated depreciation/amortization:				
Building and grounds	1,522,417	138,948	-	1,661,365
Furniture and equipment	356,885	51,918	-	408,803
Transportation equipment	155,635	39,242	42,381	152,496
Right of use lease assets	33,612	5,538	14,306	24,844
Right of use subscription assets	268,786	124,706	253,969	139,523
Total accumulated depreciation/ amortization	2,337,335	360,352	310,656	2,387,031
Total capital assets being depreciated/amortization, net	3,709,635	(144,663)	6,521	3,558,451
Government activities capital assets, net	$ 4,310,031	$ 1,769,139	$ 13,561	$ 6,065,609

Depreciation and amortization expense of $360,352 was charged to culture and recreation.

Note 4. Noncurrent Liabilities

Bonds payable is comprised of the following at December 31, 2025:

Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds Series 2013 payable to Argent Trust Company in the original amount of $2,500,000 bearing 3.874%, payable semi-annually on August 1 (interest) and February 1 (principal and interest) each year.	$ 625,000

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

Year Ending December 31	LCDA Revenue Bonds Principal	LCDA Revenue Bonds Interest
2026	$ 200,000	$ 20,339
2027	210,000	12,397
2028	215,000	4,165
Total	$ 625,000	$ 36,900

Leases

The Bureau has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on January 22, 2020, to lease computer equipment and requires 63 monthly payments of $251, this lease expired in March of 2025. The second agreement was executed on July 7, 2021, to lease computer equipment and requires 63 monthly payments of $302. The third agreement was executed on May 15, 2025, to lease computer equipment and requires 63 monthly payments of $218. There are no variable payment components in any of the leases. The lease liabilities are measured at a discount rate of 4%. As a result of the leases, the Bureau has recorded a right to use asset with a net book value of $13,331 at December 31, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2025 were as follows:

Year Ending December 31	Principal Payments	Interest Payments	Total
2026	$ 4,918	$ 444	$ 5,362
2027	2,308	308	2,616
2028	2,404	212	2,616
2029	2,500	116	2,616
2030	1,533	21	1,554
	$ 13,663	$ 1,101	$ 14,764

Subscription-Based Information Technology Arrangements

The Bureau has entered into subscription-based information technology arrangements (SBITAs) for certain cloud-based software. The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception. There are no variable payment components in any of the SBITAs. The subscription liabilities are measured at a discount rate of 4%. As a result of the SBITAs, the Bureau has recorded a right of use asset with a net book value of $113,703 at December 31, 2025 which includes $3,575 of implementation expenses the Bureau paid prior to the subscription inception.

The future minimum SBITA obligations and the net present value of these minimum subscription payments as of December 31, 2025 were as follows:

Year Ending December 31	Principal Payments	Interest Payments	Total
2026	$ 70,116	$ 3,578	$ 73,694
2027	29,616	1,185	30,801
	$ 99,732	$ 4,763	$ 104,495

Summary of changes in noncurrent liabilities:

	Restated Balance 12/31/24	Additions	Retirements	Balance 12/31/25	Due Within One Year
LCDA Revenue Bonds Series 2013	$ 815,000	$ -	$ 190,000	$ 625,000	$ 200,000
Compensated absences	197,985	9,566	-	207,551	10,378
Right of use lease asset liability	6,907	12,434	5,678	13,663	4,918
Right of use subscription asset liability	133,732	88,892	122,892	99,732	70,116
Total changes in noncurrent liabilities	$1,153,624	$ 110,892	$ 318,570	$ 945,946	$ 285,412

Note 5. Compensation for Board of Directors

The Board of Directors received no compensation for the year ended December 31, 2025.

Note 6. Equity

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

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

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

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

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

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

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

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

Vehicle fund	$	129,400
Building repairs and renovations fund		260,245
Sports war chest fund		450,163

Emergency operations fund	4,329,133
Major event fund	657,055
CNTAP fund	778,904
LA tourism recovery fund	2,874,825
Mardi Gras Museum fund	208,770
Executive retention fund	333,249
Live arts venue fund	114,747
	$ 10,136,491

The Bureau has a formal minimum fund balance policy.

Net Position

Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Note 7. Occupancy Tax

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

Act 608 of the Louisiana Legislature amended Act 47 and authorized the

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

Note 8. Accounts Receivable

Accounts receivable balances are comprised of occupancy tax amounts collected in 2025 but remitted to the Bureau in January of 2026. Total occupancy tax receivable for 2025 is $607,660. This amount includes Act 608 collection receivables.

Note 9. Deferred Compensation Plan

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

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

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

Note 10. Fair Value

The Bureau categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Bureau had the following recurring fair value measurements as of December 31, 2025:

Governmental Activities

Investments reported at fair value in the Bureau's governmental activities consist of investments held by the model Rabbi trust described in Note 9. The investments are shown as assets on the Bureau's Statement of Net Position and Balance Sheet along with corresponding liabilities on each statement as they are held on behalf of the trust's beneficiary. The investments consist of money market and mutual funds. Money market investments of $489 are not subject to fair value measurement. The remainder of the balance consists of mutual funds which are traded on active markets and are considered level 1 investments.

Investments by Fair Value Level	12/31/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
Mutual funds:				
World Allocation funds	$ 173,573	$ 173,573	$ -	$ -
Bond funds	3,373	3,373	-	-
	$ 176,947	$ 176,947	$ -	$ -

Fiduciary Activities

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

Investments by Fair Value Level	12/31/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
Mutual funds:				
Large Cap Growth funds	$ 637,888	$ 637,888	$ -	$ -
Mid Cap Growth funds	26,659	26,659	-	-
Large Value funds	13,702	13,702	-	-
Mid Cap Blend funds	234,349	234,349	-	-
Large Cap Blend funds	903,577	903,577	-	-
Small Cap Blend funds	208,338	208,338	-	-
Diversified Emerging Markets funds	214,925	214,925	-	-
Real estate	40,528	40,528	-	-
Government mortgage-backed bond	137,255	137,255	-	-
US Multi-Sector bond	165,413	165,413	-	-
US Fund intermediate core-plus bond	136,439	136,439	-	-
Foreign Large Blend funds	141,841	141,841	-	-
Foreign Large Growth funds	126,707	126,707	-	-
Conservative allocation	13,229	13,229	-	-
Moderately conservative allocation	134,902	134,902	-	-
Moderate allocation	137,481	137,481	-	-
Moderately aggressive allocation	30,048	30,048	-	-
	$ 3,303,281	$ 3,303,281	$ -	$ -

Note 11. Restatement of Beginning Net Position

As a result of implementing GASB 101, the Bureau changed its method of accounting for compensated absences. Previously, the Bureau did not recognize a liability under prior guidance. Under GASB 101, the Bureau now recognizes a liability for leave that has been earned and is both attributable to services already rendered and is available to be used by the employee or is payable upon termination or retirement.

This change in accounting principle has been applied retroactively by restating beginning balance of net position in accordance with GASB Statement No. 100, Accounting Changes and Error Corrections.

Beginning net position as previously reported	$ 15,584,514
Adjustment for GASB 101	(197,985)
Beginning net position as restated	$ 15,386,529

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

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

- Budgetary comparison schedules - Special Revenue Fund

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL
SPECIAL REVENUE
Year Ended December 31, 2025

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Occupancy tax	$ 7,900,000	$ 8,005,000	$ 8,485,603	$ 480,603
Interest, dividends	8,000	8,000	430,589	422,589
Intergovernmental	1,460,000	1,660,000	1,412,971	(247,029)
Gift shop	25,000	25,000	24,449	(551)
Advertising revenues	148,000	177,500	142,706	(34,794)
Miscellaneous	500	500	1,106	606
Proceeds on sale	-	25,000	25,100	100
Total revenues	9,541,500	9,901,000	10,522,524	621,524
Expenditures:				
Current:				
Culture and recreation	7,844,500	7,874,000	9,481,346	(1,607,346)
Economic development	1,680,000	1,985,000	64,116	1,920,884
Intergovernmental	1,140,000	1,140,000	1,264,741	(124,741)
Capital outlay	47,000	107,000	-	107,000
Debt service:				
Principal	190,000	190,000	190,000	-
Interest	30,000	30,000	26,938	3,062
Total expenditures	10,931,500	11,326,000	11,027,141	298,859
Other financing sources:				
Issuance of right of use asset liabilities	-	-	101,326	101,326
Net change in fund balance	(1,390,000)	(1,425,000)	(403,291)	1,021,709
Fund balances - beginning	12,230,122	12,230,122	12,230,122	-
Fund balances - ending	$10,840,122	$10,805,122	$11,826,831	$ 1,021,709

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO PRESIDENT/CEO
Year Ended December 31, 2025

Agency Head Name: Kyle Edmiston, President/CEO

Purpose	Amount
Salary	$ 293,620
Retention allowance	150,000
Benefits - insurance	36,954
Benefits - retirement	45,990
Vehicle provided by government	7,369
Travel	5,042
Registration fees	2,452
Conference travel	19,182
Continuing professional education	11,217
Cell phone	1,800

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CVA - Certified Valuation Analyst

CFP - Certified Financial Planner

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

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

We have audited, in accordance with 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 of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Southwest Louisiana Convention and Visitors Bureau's basic financial statements and have issued our report thereon dated June 18, 2026.

Report on 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) 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 Bureau's internal control. Accordingly, we do not express an opinion on 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

This report is solely for the information and use of the Board of the Southwest Louisiana Convention and Visitors Bureau and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Mc Elroy Quirk & Burch

Lake Charles, Louisiana
June 18, 2026

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Southwest Louisiana Convention and Visitors Bureau's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Bureau's major federal programs for the year ended December 31, 2025. The Bureau's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Southwest Louisiana Convention and Visitors Bureau complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

(Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Bureau and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Bureau's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Bureau's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Bureau's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Bureau's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Bureau's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Bureau's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is solely for the information and use of the Board of the Southwest Louisiana Convention and Visitors Bureau and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

McElroy Quirk & Burch

Lake Charles, Louisiana
June 18, 2026

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2025

Grant Type	Assistance Listing Number	Grant Number	Total Current Expenditures	Total Subrecipient Payments
U.S. DEPARTMENT OF COMMERCE				
Direct Program:				
Economic Development Cluster				
Economic Adjustment Assistance	11.307	08-79-05660	1,412,971	-
Total U.S. Department of Commerce			1,412,971	-
TOTAL FEDERAL AWARDS			$ 1,412,971	$ -

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Note A. Scope of Audit

The audit was performed pursuant to the Single Audit Act of 1996 and the Uniform Guidance.

Summary of significant accounting policies:

The Schedule of Expenditures of Federal Awards has been prepared on the full accrual basis of accounting used by the Bureau in preparation of the government wide financial statements that report these awards. The accounting policies of the Bureau conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note B. Disbursements

Disbursements reported in the Schedule of Expenditures of Federal Awards cannot be traced, in every case, directly to the disbursements reported in the Bureau's Financial Report. However, the detailed information regarding the disbursements reflected in both issued reports can be traced to the Bureau's detailed general ledger with adjustments for any year-end financial statement accruals and reversals.

Note C. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Bureau that were received directly from federal agencies or passed through other entities and governmental agencies.

Note D. Indirect Cost Rate

The Bureau did not elect to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note E. Subrecipients

The Bureau did not make any payments to subrecipients during the current fiscal year.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	___Yes _X_ No
Significant deficiency identified not Considered to be material weakness?	___Yes _X_ None reported
Noncompliance material to financial statements noted	___Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weakness identified?	___Yes _X_ No
Significant deficiency identified not Considered to be material weakness?	___Yes _X_ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___Yes _X_ No

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
11.307	Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

Auditee qualified as low-risk auditee? ___Yes _X_ No

(continued on next page)

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings to report.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION IV- FINANCIAL STATEMENT FINDINGS

No findings to report.

SECTION V - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

No findings to report.

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08444.000 AUP Report

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Bureau's management is responsible for those C/C areas identified in the SAUPs.

The Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. 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.

   No exceptions noted.

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.

No exceptions noted.

iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions noted.

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).

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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

No exceptions noted.

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, and (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

4) Collections

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):

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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

No exceptions noted.

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 responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

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

No exceptions noted.

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

i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

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).

No exceptions noted.

v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) Non-Payroll Disbursements (excluding credit card purchases/payments, 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).

No exceptions noted.

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.

No exceptions noted.

ii. At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

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 deliverables included on the invoice were received by the entity.

No exceptions noted.

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.

No exceptions noted.

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

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.

No exceptions noted.

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.

No exceptions noted.

ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #7B above, <u>excluding fuel cards</u>, 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.

2 meal receipts did not have participants documented.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

   No exceptions noted.

7) *Travel and Expense Reimbursement*

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 by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

      No exceptions noted.

   ii. 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.

   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).

      No exceptions noted.

   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. 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.

No exceptions noted.

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).

No exceptions noted.

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).

No exceptions noted.

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 five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions noted.

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).

No exceptions noted.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials:

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

10) *Ethics*

A. Using the five randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management and:

   i. Observe whether 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.

   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:

      No exceptions noted.

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.

   No exceptions noted.

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.

No misappropriations of assets during the fiscal period.

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.

We performed the procedure and discussed the results with management.

ii. 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.

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.

We performed the procedure and discussed the results with management.

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 disable from the network.

We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[25]. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

We performed the procedure 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 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.

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

No exceptions noted.

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.

No exceptions noted

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

No exceptions noted.

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

No exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

No exceptions noted.

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

No exceptions noted.

We were engaged by the Southwest Louisiana 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 the Southwest Louisiana 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.

McElroy Quirk & Burch

Lake Charles, Louisiana
June 18, 2026

VISIT LAKE CHARLES
LOUISIANA'S PLAYGROUND

June 18, 2026

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

Re: Agreed Upon Procedures 2025

During the 2025 Agreed-Upon Procedures engagement conducted by our independent auditors in accordance with the Louisiana Legislative Auditor's requirements, an exception was identified related to Procedure #6C.(3), which requires documentation of individuals participating in meals charged to organizational credit cards. Management has reviewed the two transactions noted and provides the following response.

In both cases, the meal receipts did not include a listing of the individuals participating in the meal. However, participant information and the business purpose of the expenditures were documented in the organization's related records. The expenditures were incurred for valid business purposes and were reviewed and approved in accordance with the organization's procedures. While the participant information was documented, it was not recorded directly on the meal receipts as outlined in the Agreed-Upon Procedures.

To help ensure consistency going forward, management has reminded employees to document meal participants directly on meal receipts. For larger group meetings and events, employees will note on the receipt that the meal was purchased for a specific group meeting or event to ensure compliance with the Agreed-Upon Procedures.

Management remains committed to maintaining strong internal controls, clear documentation, and compliance with applicable requirements.

Sincerely,

Kyle Edmiston

Kyle Edmiston
President/CEO

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