

**Houma Area Convention
and Visitors Bureau**

Annual Financial Report
As of and for the
Year Ended December 31, 2022

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Annual Financial Report
Year Ended December 31, 2022

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**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

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To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of the Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bureau, as of December 31, 2022, 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 Opinion

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

Responsibilities of Management for the Financial Statements

The Bureau's 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 of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the

Bureau's ability to continue as a going concern 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 and the budgetary comparison schedule on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

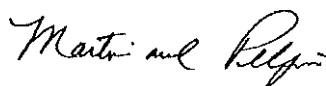
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Houma Area Convention and Visitors Bureau's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 29 is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Executive Director is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 the Executive Director is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2023, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.



Houma, Louisiana
April 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Management's Discussion and Analysis
Year Ended December 31, 2022

As management of the Houma Area Convention and Visitors Bureau (HACVB), we offer readers of HACVB's financial statements this narrative overview and analysis of the financial activities of HACVB for the year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

- Houma Area Convention and Visitors Bureau's assets exceeded its liabilities by \$7,017,503 (net position) as of December 31, 2022.
- Revenues exceeded expenses by \$1,170,081 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to HACVB's financial statements. The Houma Area Convention and Visitors Bureau's financial statements consist of the following components:

Statement of Net Position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Statement of Activities. Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

Balance Sheet – Governmental Fund Type – General Fund. This statement presents the HACVB's assets, liabilities, and fund balance for its general fund only.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund. Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

Combined Balance Sheet – All Fund Types. This statement presents the Houma Area Convention and Visitors Bureau's assets and liabilities for all fund types, with the difference of assets and liabilities reported as fund balance. The fluctuation in fund balance can be used as an indication of whether the financial position of HACVB is improving or deteriorating. This statement does not include capital assets or long term obligations.

Notes to Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the financial statements.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Management's Discussion and Analysis
Year Ended December 31, 2022

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of HACVB, assets exceeded liabilities by \$7,017,503 at the close of the most recent year, December 31, 2022. The largest portions of HACVB's current assets are cash (36%) and investments (61%). HACVB's Net Position is as follows:

HACVB's Net Position

ASSETS	December 31,	
	2022	2021
Current assets	\$ 4,199,835	\$ 3,442,726
Capital assets, net of accumulated depreciation	2,916,440	2,958,137
TOTAL ASSETS	\$ 7,116,275	\$ 6,400,863
LIABILITIES		
Accounts payable and accrued expenses	\$ 75,031	\$ 34,700
Compensated absences payable	23,741	23,741
Certificate of indebtedness		
Due within one year	-	160,000
Due in more than one year	-	335,000
TOTAL LIABILITIES	98,772	553,441
NET POSITION		
Net investment in capital assets	2,916,440	2,463,137
Unrestricted	4,101,063	3,384,285
Total net position	7,017,503	5,847,422
TOTAL LIABILITIES AND NET POSITION	\$ 7,116,275	\$ 6,400,863

- Capital assets, which were reported net of accumulated depreciation, account for 41% of the total assets of HACVB for the most recent year ended.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government
Management's Discussion and Analysis
Year Ended December 31, 2022**

BASIC FINANCIAL ANALYSIS (Cont.)

During the year, HACVB's net position increased by \$1,170,081. The elements of the increase are as follows:

HACVB's Changes in Net Position

	For the Year Ended December 31,	
	2022	2021
REVENUES		
Parish taxes	\$ 1,238,375	\$ 1,263,964
State taxes	1,550,421	560,868
Total operating revenues	2,788,796	1,824,832
EXPENSES		
Other services and charges	973,331	702,769
Personal services	618,018	549,334
Depreciation	112,644	106,113
Supplies and materials	20,422	14,723
Total operating expenses	1,724,415	1,372,939
NET REVENUE	1,064,381	451,893
GENERAL REVENUES		
Interest earned	41,625	1,161
Grants	22,119	530,579
Other	55,516	3,331
Total general revenues	119,260	535,071
OTHER EXPENSE	13,560	19,506
CHANGE IN NET POSITION	\$ 1,170,081	\$ 967,458

As indicated above, net position increased by \$1,170,081. The increase in change of position from the prior year is primarily attributable to the increase in state tax revenues.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government
Management's Discussion and Analysis
Year Ended December 31, 2022**

CAPITAL ASSETS

As of December 31, 2022, the Bureau had \$2,916,440 invested in capital assets.

	2022	2021
Land	\$ 306,313	\$ 306,313
Buildings	3,376,464	3,319,977
Office furniture and equipment	265,600	251,140
Automobiles	49,627	49,627
Subtotal	3,998,004	3,927,057
Less accumulated depreciation	(1,081,564)	(968,920)
	\$ 2,916,440	\$ 2,958,137

During the year ended December 31, 2022, the Bureau expended \$70,947 on capital assets.

CERTIFICATE OF INDEBTEDNESS

In May 2014, the Bureau issued a certificate of indebtedness for \$1,500,000. Principal and interest paid in the governmental fund, which retired the debt, was \$495,000 and \$13,560, respectively, for 2022. More detailed information about the certificate of indebtedness is presented in the Notes to Financial Statements.

ORIGINAL VS. REVISED BUDGET

The Bureau amended its budget four times during the year ended December 31, 2022. The budget for revenues was increased as follows:

Revenues	
Total revenues revised budget	\$ 2,907,623
Total revenues original budget	1,262,636
	\$ 1,644,987

The Bureau's 2022 actual revenues exceeded the revised budgeted revenues by \$433.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Management's Discussion and Analysis
Year Ended December 31, 2022

Expenditures

The Bureau's budget for expenditures was decreased as follows:

Total expenditures revised budget	\$ 2,197,984
Total expenditures original budget	2,029,750
	<hr/> <u>\$ 168,234</u>

The Bureau's revised budgeted expenditures exceeded the actual expenditures by \$6,706.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of HACVB's finances for all those with such an interest. Call the HACVB office (985-868-2732) attention Ms. Sondra Corbitt, Executive Director, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

FINANCIAL STATEMENTS

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,491,858
Investments	2,551,724
Taxes receivable	93,839
Due from Terrebonne Parish Consolidated Government	34,414
Inventory	10,907
Prepaid insurance	17,093
Total current assets	4,199,835
Capital assets, net of accumulated depreciation of \$1,081,564	2,916,440
TOTAL ASSETS	7,116,275
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	75,031
Compensated absences payable	23,741
TOTAL LIABILITIES	98,772
NET POSITION	
Net investment in capital assets	2,916,440
Unrestricted	4,101,063
TOTAL NET POSITION	\$ 7,017,503

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Statement of Activities
Year Ended December 31, 2022

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position Governmental Activities
GOVERNMENTAL ACTIVITIES			
Promotion of tourism	\$ 1,737,975	\$ -	\$ (1,737,975)
Total governmental activities	\$ 1,737,975	\$ -	\$ (1,737,975)
GENERAL REVENUES			
Sales taxes:			
Local collections			1,238,375
State appropriations			1,550,421
Grants			22,119
Other			55,516
Interest			41,625
Total general revenues			2,908,056
CHANGE IN NET POSITION			1,170,081
NET POSITION, BEGINNING			5,847,422
NET POSITION, ENDING			\$ 7,017,503

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Balance Sheet
Governmental Fund Type
General Fund
December 31, 2022

ASSETS

Cash and cash equivalents	\$ 1,491,858
Investments	2,551,724
Taxes receivable	93,839
Due from Terrebonne Parish Consolidated Government	34,414
Inventory	10,907
Prepaid insurance	17,093

TOTAL ASSETS \$ 4,199,835

LIABILITIES

Accounts payable and accrued expenses	\$ 75,031
Compensated absences payable	23,741

TOTAL LIABILITIES 98,772

FUND BALANCE

Nonspendable	28,000
Unassigned	4,073,063

TOTAL FUND BALANCE 4,101,063

**TOTAL LIABILITIES AND
FUND BALANCE** \$ 4,199,835

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Statement of Revenues, Expenditures,
and Changes in Fund Balance-
Governmental Fund Type
General Fund
Year Ended December 31, 2022

REVENUES

Taxes:	
Parish	\$ 1,238,375
State	<u>1,550,421</u>
TOTAL REVENUES	<u>2,788,796</u>

EXPENDITURES

Economic development and assistance:	
Other services and charges	973,331
Personal services	618,018
Supplies and materials	20,422
Capital expenditures	70,947
Debt service	
Principal	495,000
Interest	<u>13,560</u>
TOTAL EXPENDITURES	<u>2,191,278</u>

EXCESS OF REVENUES OVER EXPENDITURES	<u>597,518</u>
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GENERAL REVENUES

Interest earned	41,625
Grants	22,119
Other	<u>55,516</u>
TOTAL GENERAL REVENUES	<u>119,260</u>

CHANGE IN FUND BALANCE	716,778
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FUND BALANCE

Beginning of year	<u>3,384,285</u>
End of year	<u><u>\$ 4,101,063</u></u>

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
December 31, 2022

Total fund balance - governmental fund	\$ 4,101,063
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$3,998,004, net of accumulated depreciation of \$1,081,564, are not financial resources and, therefore, are not reported in the funds.	<u>2,916,440</u>
Total net position of governmental activities	<u><u>\$ 7,017,503</u></u>

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Fund to the
Statement of Activities
Year Ended December 31, 2022

Change in fund balance - governmental fund		\$ 716,778
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental fund reports capital outlays as expenditures, whereas in the statement of activities, these costs are depreciated over their estimated useful lives.		
Depreciation expense	(112,644)	
Capital outlays	<u>70,947</u>	(41,697)
The issuance of long-term debt provides current financial resources to governmental funds. This transaction has no effect on net position.		
Principal payments of certificate of indebtedness		<u>495,000</u>
Change in net position of governmental activities		<u><u>\$ 1,170,081</u></u>

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Combined Balance Sheet –
All Fund Types
December 31, 2022

	Governmental Fund Type General Fund	Fiduciary Fund Type Agency	Total (Memorandum Only)
ASSETS			
Cash and cash equivalents	\$ 1,491,858	\$ -	\$ 1,491,858
Investments	2,551,724	-	2,551,724
Taxes receivable	93,839	37,403	131,242
Due from Terrebonne Parish Consolidated Government	34,414	47,879	82,293
Inventory	10,907	-	10,907
Prepaid insurance	17,093	-	17,093
	TOTAL ASSETS	\$ 85,282	\$ 4,285,117
LIABILITIES			
Accounts payable and accrued expenses	\$ 75,031	\$ -	\$ 75,031
Compensated absences payable	23,741	-	23,741
Due to Houma-Terrebonne Civic Center	-	42,641	42,641
Due to Terrebonne Parish Consolidated Government	-	42,641	42,641
	Total liabilities	85,282	184,054
FUND BALANCE			
Nonspendable	28,000	-	28,000
Unassigned	4,073,063	-	4,073,063
	Total fund balance	-	4,101,063
	TOTAL LIABILITIES AND FUND BALANCE	\$ 85,282	\$ 4,285,117

See accompanying notes.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Houma Area Convention and Visitors Bureau (the Bureau) was created and established by Terrebonne Parish Police Jury Ordinance No. 1977 on May 3, 1977, authorized by Act 19 of the Louisiana Legislature of 1975 (R.S. 33-4574-3574,3). The Bureau was formed for the purpose of promoting tourism within the Parish of Terrebonne. The Bureau is composed of nine members, known as commissioners, who are authorized to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within its jurisdiction. The Bureau may also sue and be sued and accept grants or donations of every type. However, the Bureau may not exercise any function that results in competition with local retail businesses or enterprises. The Bureau is funded by a 5.0% tax on the occupancy of hotel rooms, motel rooms, and overnight camping facilities located within the boundaries of Terrebonne Parish and taxes collected by the state on the Bureau's behalf.

The accounting and reporting policies of the Bureau conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

Because the Consolidated Government appoints the governing board and can therefore impose its will, the Houma Area Convention and Visitors Bureau was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability.

The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Bureau has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

B. METHOD OF ACCOUNTING

GASB statements establish standards for external financial reporting for all state and local governmental entities which include a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Bureau's highest level of decision-making authority. The Board of Commissioners must vote on commitments.

Assigned – This component of fund balance is intended to be used by the Bureau for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the Bureau's general fund and includes all spendable amounts not contained in the other classifications.

Stabilization Funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The financial statements of the Bureau are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

C. FUND TYPES

The Bureau reports the following fund types:

Governmental Funds

Governmental Funds are those through which governmental functions of the Bureau are financed. The acquisition, use, and balances of the Bureau's expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Bureau:

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

Fiduciary Funds

Fiduciary funds account for assets held by the Bureau in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is the Fiduciary Fund of the Bureau:

Agency Fund – The Agency Fund is used by the Bureau to receive and transfer funds allocated to the Houma-Terrebonne Civic Center and the Terrebonne Parish Consolidated Government.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Fund Financial Statements (FFS)

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

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Bureau considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

E. ENCUMBRANCES

The Bureau does not utilize encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the fund general ledgers.

F. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the Bureau's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended four times during the year ended December 31, 2022. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. CASH AND CASH EQUIVALENTS

The Bureau considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

H. INVESTMENTS

Investments are stated at cost, which approximates market.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. **BAD DEBTS**

The financial statements of the Bureau contain no allowance for bad debts. Uncollectible amounts due for taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Bureau.

J. **CAPITAL ASSETS**

Capital assets are presented on the Statement of Net Position.

Depreciation of all fixed assets is computed on the straight-line basis. Estimated useful lives of property and equipment are as follows:

Automobiles	5 years
Office furniture and equipment	5 - 7 years
Buildings	7 - 40 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

K. **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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Bureau primarily relate to the useful lives of fixed assets.

L. **MEMORANDUM ONLY – TOTAL COLUMNS**

The total column on the combined financial statements is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

M. COMPENSATED ABSENCES

Full-time employees may accrue up to thirty days of vacation time, which begins to accrue after six months of employment. After an employee's six-month anniversary date, an employee will be granted six days of vacation time and, thereafter, will accrue one day at the end of each full calendar month of service. Accrued and earned vacation will be paid at the resignation or termination of an employee. The amount of accumulated vacation benefits as of December 31, 2022 was \$23,741.

After ninety days of employment, full-time employees are eligible for one day of sick leave per month of employment through the remainder of the first year of employment. Employees will receive ten days of paid sick leave per year for all subsequent years. Unused sick leave may accumulate up to thirty days. Sick leave is not a vested benefit and employees will not receive compensation for unused sick leave at the time of termination or departure from the Bureau.

N. RECENT PRONOUNCEMENT

GASB Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined that applying the standard has no effect on its financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Bank Deposits:

Under state law, the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States Treasury.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balance of deposits is as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 1,507,272	\$ 1,491,858

Custodial credit risk is the risk that in the event of a bank failure, the Bureau's deposits may not be returned to it. The Bureau has a written policy for custodial credit risk. As of December 31, 2022, \$1,203,995 of the Bureau's bank balance of \$1,507,272 was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Bureau's name.

As of December 31, 2022, cash was adequately collateralized in accordance with state law by securities held by an unaffiliated bank for the account of the Bureau. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the Bureau to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Bureau's investment policy limits investments to securities with maturity dates less than six months from the date of purchase unless the investment is matched to a specific cash flow.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Bureau's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Bureau's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Bureau will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

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

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days as of December 31, 2022.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in LAMP as of December 31, 2022 amounted to \$2,551,724 and are classified on the Statement of Net Position as "Investments".

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$ 1,491,858
Reported amount of investments	<u>2,551,724</u>
Total	<u><u>\$ 4,043,582</u></u>
Cash	\$ 1,491,858
Investments	<u>2,551,724</u>
Total	<u><u>\$ 4,043,582</u></u>

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, 2022	Additions	Retirements	Balance December 31, 2022
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 306,313	\$ -	\$ -	\$ 306,313
Capital assets, being depreciated:				
Automobiles	49,627	-	-	49,627
Office furniture and equipment	251,140	14,460	-	265,600
Buildings	3,319,977	56,487	-	3,376,464
Total assets being depreciated	<u>3,620,744</u>	<u>70,947</u>	<u>-</u>	<u>3,691,691</u>
Less accumulated depreciation:				
Automobiles	(16,377)	(8,933)	-	(25,310)
Office furniture and equipment	(192,044)	(14,641)	-	(206,685)
Buildings	(760,499)	(89,070)	-	(849,569)
Total accumulated depreciation	<u>(968,920)</u>	<u>(112,644)</u>	<u>-</u>	<u>(1,081,564)</u>
Total capital assets being depreciated, net	<u>2,651,824</u>	<u>(41,697)</u>	<u>-</u>	<u>2,610,127</u>
Governmental activities capital assets, net	<u>\$ 2,958,137</u>	<u>\$ (41,697)</u>	<u>\$ -</u>	<u>\$ 2,916,440</u>

During the year ended December 31, 2022, the Bureau expended \$70,947 on office equipment and major repairs to buildings.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 4 – CERTIFICATE OF INDEBTEDNESS

On May 8, 2014, the Bureau signed a certificate of indebtedness of \$1,500,000 for the purpose of acquiring and constructing buildings and improvements for the Bureau, including necessary equipment and furnishings, and paying the costs incurred in connection with the issuance of the certificates. The agreement stipulated annual principal payments and semi-annual interest payments. The certificate of indebtedness carried an interest rate of 2.75% in 2021, 3.0% in 2022, 3.5% in 2023, and 4.0% in 2024 and a maturity date of May 1, 2024. The Bureau made \$495,000 of principal payments during the year ended December 31, 2022, retiring the debt.

NOTE 5 – DEFERRED COMPENSATION PLAN

The Bureau sponsors an IRC Section 457 Deferred Compensation Plan for the benefit of its employees. Employees are allowed to contribute the lesser of 33 1/3% of includible compensation or \$19,500 (\$26,000 for participants age 50 and over). The Bureau has elected to make employer matching funds available to those employees who have completed one year of active service. The Bureau made matching contributions to the plan for the year ended December 31, 2022 in the amount of \$17,201.

NOTE 6 – POST-EMPLOYMENT BENEFITS

The Bureau does not offer post-employment benefits to its employees.

NOTE 7 – COMPENSATION OF BOARD MEMBERS

As set forth in the Bureau's by-laws, the Board serves without compensation.

NOTE 8 – RISK MANAGEMENT

The Bureau is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the Bureau carries commercial insurance or other insurance for the losses to which it is exposed. The Bureau's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure and claims experience. The premium for auto liability is based on claims experience, vehicle type, and mileage.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**
Notes to Financial Statements
Year Ended December 31, 2022

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 27, 2023, which is the date the financial statements were available to be issued and it was determined that no events occurred that require disclosure. No events occurring after that date have been evaluated for inclusion in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

**Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Revised Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES				
State taxes	\$ 595,000	\$ 1,550,421	\$ 1,550,421	\$ -
Parish taxes	643,500	1,237,970	1,238,375	405
Interest earned	1,000	41,625	41,625	-
Grants	19,636	22,119	22,119	-
Other	3,500	55,488	55,516	\$ 28
TOTAL REVENUES	<u>1,262,636</u>	<u>2,907,623</u>	<u>2,908,056</u>	<u>433</u>
EXPENDITURES				
<u>Personal Services</u>				
Salaries	450,000	448,602	448,602	-
Group insurance	85,000	70,642	70,642	-
Administration	11,250	8,086	8,086	-
Staff	48,300	35,240	35,240	-
Payroll taxes	40,000	36,435	36,435	-
Pension	15,500	17,201	17,201	-
Workers comp insurance	2,000	1,812	1,812	-
Total personal services	<u>652,050</u>	<u>618,018</u>	<u>618,018</u>	<u>-</u>
<u>Supplies and Materials</u>				
Postage	1,500	927	927	-
Office supplies	12,000	19,496	19,495	1
Total supplies and materials	<u>13,500</u>	<u>20,423</u>	<u>20,422</u>	<u>1</u>
<u>Other Services and Charges</u>				
Marketing/advertising	256,000	211,610	211,612	(2)
Automobile	8,000	9,587	9,587	-
Bank charges	500	1,729	1,729	-
Computer	85,000	73,992	73,992	-
Dues & subscriptions	50,000	51,427	51,427	-
Insurance	48,950	37,551	37,551	-
Professional fees	325,000	205,554	205,554	-
Equipment	5,500	4,046	4,046	-
Building	119,000	195,657	169,864	25,793
Utilities	18,000	19,538	19,538	-
Special events	3,500	20,739	20,739	-
Sponsorship	206,000	132,704	132,704	-
Training	9,000	5,595	5,595	-
Promotional	20,000	29,001	22,293	6,708
Uniforms	-	3,169	3,169	-
Geocaching	4,775	3,931	3,931	-
Total other services and charges	<u>1,159,225</u>	<u>1,005,830</u>	<u>973,331</u>	<u>32,499</u>
Debt service	<u>174,975</u>	<u>508,560</u>	<u>508,560</u>	<u>-</u>
Capital expenditures	<u>30,000</u>	<u>45,153</u>	<u>70,947</u>	<u>(25,794)</u>
TOTAL EXPENDITURES	<u>2,029,750</u>	<u>2,197,984</u>	<u>2,191,278</u>	<u>6,706</u>
CHANGE IN FUND BALANCE	<u>\$ (767,114)</u>	<u>\$ 709,639</u>	<u>\$ 716,778</u>	<u>\$ 7,139</u>

See Independent Auditor's Report.

OTHER INFORMATION

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Schedule of Compensation, Benefits, and Other
Payments to the Executive Director
Year Ended December 31, 2022

Agency Head Name: Sondra Corbitt, Executive Director

Purpose	Amount
Salary	\$ 81,157
Membership fees	1,276
Benefits - insurance	11,573
Deferred compensation	6,500
Miscellaneous	-
Service fees	524
Per diem	941
Office supplies	643
Car allowance/automobile expense	4,714
Cell phone	1,019
Registration fees	615
Reimbursements - fees	856
Benefits - retirement	-
Benefits - other	-
Vehicle provided by government	-
Conference travel	3,317
Continuing professional education fees	-
Housing	-
Special meals	-

This schedule is used to satisfy the reporting requirements of
R.S. 24:513(A)(3).

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Martin
and
Pellegrin**

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Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

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

To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government
Houma, 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 government activities and each major fund of Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements, and have issued our report thereon dated April 27, 2023.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

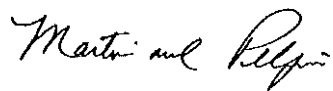
our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



Houma, Louisiana
April 27, 2023

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Schedule of Findings and Responses
Year Ended December 31, 2022

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Houma Area Convention and Visitors Bureau.
2. No significant control deficiencies were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters, required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were noted during the audit of the financial statements.
5. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the basic financial statements of the Houma Area Convention and Visitors Bureau, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section III – Federal Awards

No federal awards were received during the year.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Schedule of Prior Findings and Responses
Year Ended December 31, 2022

Note: The prior finding relates to the December 31, 2021 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

STATEWIDE AGREED-UPON PROCEDURES

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

To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Houma, Louisiana

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

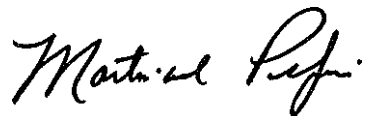
Houma Area Convention and Visitors Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described on pages 36-54.

We were engaged by Houma Area 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 Houma Area 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.

A handwritten signature in black ink, appearing to read "Martin L. Pefano". The signature is written in a cursive style with a large initial 'M' and a long, sweeping underline.

Houma, Louisiana
April 27, 2023

Houma Area Convention and Visitors Bureau

Houma, Louisiana

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

The required procedures and our findings are as follows:

Procedures performed on the Bureau's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the Bureau's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

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

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c. Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Performance: Obtained and read the written policy for receipts and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Houma Area Convention and Visitors Bureau

Houma, Louisiana

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

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

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- g. Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained and read written policy for debt service and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained and read written policy for information technology disaster recovery/business continuity and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained and read written policy for sexual harassment and found it to contain the requirements listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Board or Finance Committee

- 2. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board 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.

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Performance: Determined that the board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document except for the below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund.

Performance: Determined whether the minutes referenced or included monthly budget-to-actual comparisons.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) 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.

Performance: Determined that the unassigned fund balance in the general fund did not have a negative balance.

- d) Observe whether the board 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.

Performance: Determined that there were no outstanding audit findings.

Bank Reconciliations

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months

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of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation;

Performance: Inspected documentation for management approvals of each randomly selected bank reconciliation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that there were no items outstanding for more than 12 months as of the end of the statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Collections

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

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location, and observe that job duties are properly segregated at each collection location such that:

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Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure cash drawers were not shared.

Exceptions: It was determined that employees working in the visitor's building share a cash drawer.

Management's response: Management provides oversight over cash drawer activity.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined whether employees who have access to cash are covered by a bond or insurance policy for theft.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Determined that sequentially pre-numbered receipts are not required for the type of deposits that are received at the Bureau.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips. Noted that collections were supported by adequate documentation.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- d) Observe that the deposit was made within one business day of receipt at the collection location.

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

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Exceptions: Observed that one check was missing the date it was received, therefore, couldn't conclude if it was deposited within one business day. Also observed another deposit as being deposited two business days after receipt.
Management's response: Management considers this an isolated incident.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll

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purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Inquired of management to determine if the release of electronic disbursement are properly authorized.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

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Management's response: Not applicable.

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

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

11. Using the Bureau's main operating accounts 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.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the disbursements being appropriately approved.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained a listing of all active credit cards (including the card numbers and the person in possession of the card) and management's representation that the listing is complete.

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Exceptions: There were no exceptions noted.
Management's Response: Not applicable.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Randomly selected five credit cards for testing; randomly selected one month for each credit card and determined that supporting documentation was properly reviewed and approved in writing by someone other than the authorized user and that no finance charges or late fees were assessed.

Exceptions: There were no exceptions noted.
Management's Response: Not applicable.

14. Using the monthly statements or combined statements selected under #13 above, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. 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.

Performance: For the statements selected for testing in #13, randomly selected ten transactions from each and determined that the charges were supported by an original, detailed, itemized receipt which included written documentation of business purpose and individuals participating in the meals, if applicable.

Exceptions: There were no exceptions noted.
Management's Response: Not applicable.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain

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the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- Performance: Obtained a list of all travel and related expense reimbursements. Management's representation of the listing was confirmed in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- Performance: Determined that travel expenses were reimbursed using per diem rates at www.gsa.gov.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- Performance: Traced expenses to original itemized receipts, expense reports, and mileage reports.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.
- Performance: Reviewed documentation of the business/public purpose for each expense, including name of individuals participating in meal, if applicable.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
- Performance: Inspected each expense reimbursement request to find approval by supervisors and/or board member.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that the Bureau does not have to comply with the Public Bid Law for any of the selected contracts in place.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the selected contracts were approved by the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that selected contracts did not include amendments to the original contracts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) Randomly select one payment from the fiscal period for each of the five 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.

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Performance: Inspected the randomly selected invoice and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Payroll and Personnel

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

Performance: Observed the listing of employees and received management's representation of completeness in a separate letter. Randomly selected five employees, obtained personnel files, and agreed pay rates to personnel files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Observe that all selected employees or officials documented their daily attendance and leave.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: For the five employees selected, determined that accrued and/or

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paid leave in the pay period was properly reflected in the Bureau's cumulative leave records.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

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

Performance: For the five employees selected, determined that the pay rate as per the payroll check computation agreed to the pay rate in the personnel file.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable

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

Performance – Obtained a listing of the employees receiving termination payments and management's written representation that the list is complete. For the two such payments during the year, agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' personnel files, and determined that the termination payments agreed to the Bureau's policy.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

20. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance – Obtained management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any related forms have been timely filed.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

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Ethics

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

- a) Observe that the documentation demonstrates each employee selected had completed one hour of ethics training during the fiscal period.

Performance: Observed the ethics course completion certificates for the employees/officials tested.

Exceptions: No exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that there were no changes to the ethics policy during the fiscal period to notify the employees/officials of.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that there is an appointed ethics designee.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Debt Service

22. 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 bond/note issued.

Performance: Determined that no new debt had been issued during the fiscal period and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

23. 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

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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.

Performance: Determined there was no outstanding debt at the end of the fiscal period and received management's representation of completeness in a separate letter. Observed letter from bank stating debt was paid in full.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Fraud Notice

24. 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.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

25. 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.

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures and verbally discuss the results with management.

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

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation,

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inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.

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

Performance: We performed the procedures and discussed the results with management.

- d) Randomly select 5 terminated employees using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: Determined that terminated employees are disabled from the network.

Prevention of Sexual Harassment

27. Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Performance – Observed that the documentation demonstrates each employee tested completed one hour of sexual harassment training during the calendar year.

Exceptions: No exceptions noted.

Management's Response: Not applicable.

28. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Performance – Review the Bureau's website to determine if its sexual harassment policy is posted.

Exceptions – No exceptions noted.

Management's Response – Not applicable.

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

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

Performance: Obtained the Bureau's sexual harassment report and determined that it was dated prior to February 1. Determined that the number and percentage of public servants completing the training requirements was disclosed and that no sexual harassment complaints were received.

Exceptions: No exceptions noted.

Management's Response: Not applicable.