

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU
FINANCIAL REPORT
DECEMBER 31, 2024

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU
Lake Charles, Louisiana

December 31, 2024

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SOUTHWEST LOUISIANA CONVENTION
AND VISITORS BUREAU

December 31, 2024

BOARD OF DIRECTORS

Kane Mitchell - Chairman
Mike Buckley - Vice Chairman
Shonda Manuel - Secretary/Treasurer
Willie Mount
Nicole Moncrief
Hiren Zaveri
Eric Avery
Nathaniel Allured
Evelyn White
Jay Kumar
Richert Self

PRESIDENT/CHIEF EXECUTIVE OFFICER

Kyle Edmiston

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Jason L. Guillory, CPA
Greg P. Naquin, CPA, CFP™
Billy D. Fisher, CPA
Joe G. Peshoff, II, CPA, CVA
David M. DesOrmeaux, CPA
Samuel W. Harrison, CPA, CVA
Caitlin D. Guillory, CPA, CFE

Robert M. Gani, CPA, MT

Paula J. Thompson, CPA

MT - Masters of Taxation
CVA - Certified Valuation Analyst
CFP - Certified Financial Planner
CFE - Certified Fraud Examiner

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Southwest Louisiana Convention and Visitors Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Southwest Louisiana Convention and Visitors Bureau as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southwest Louisiana Convention and Visitors Bureau's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as

well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Louisiana Convention and Visitors Bureau's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting and compliance.

Mr. Elroy Quil + Burch

Lake Charles, Louisiana
June 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Southwest Louisiana Convention and Visitors Bureau's financial performance provides an overview of the Southwest Louisiana Convention and Visitors Bureau's financial activities for the year ended December 31, 2024.

USING THE ANNUAL REPORT

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

Reporting the Southwest Louisiana Convention and Visitors Bureau as a Whole

The Statement of Net Position and the Statement of Activities

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

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

Reporting the Bureau's Most Significant Funds

Fund Financial Statements

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

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

Reporting the Bureau's Fiduciary Responsibilities

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

The Bureau as a Whole

For the year ended December 31, 2024, net position changed as follows:

	Governmental Activities	
	2024	2023
Current and other assets	\$ 13,296,145	\$ 14,891,080
Capital assets	4,310,031	3,718,769
Total assets	17,606,176	18,609,849
Long-term debt outstanding	815,000	1,000,000
Right to use leased asset liability	6,907	13,133
Right to use subscription asset liability	133,732	293,080
Other current liabilities	1,066,023	944,496
Total liabilities	2,021,662	2,250,709
Net position:		
Net investment in capital assets	3,354,392	2,412,556
Unrestricted	12,230,122	13,946,584
Total net position	\$ 15,584,514	\$ 16,359,140

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

	Governmental Activities	
	2024	2023
Program revenues:		
Occupancy tax	\$ 7,723,929	\$ 8,014,397
Advertising	94,738	47,415
Gift shop	22,220	22,842
Intergovernmental	487,006	-
Gain on sale of assets	16,089	149
General revenues:		
Interest	596,131	566,571
Miscellaneous	25,390	8,915
Total revenues	8,965,503	8,660,289
Program expenses:		
Salaries and benefits	2,934,625	2,743,171
Advertising, sales and promotions	3,202,719	3,521,368
Grants	448,830	412,941
Other program expenses	2,747,209	2,092,087
Interest	43,224	44,767
Depreciation and amortization	363,522	328,013
Total expenses	9,740,129	9,142,347
Change in net position	(774,626)	(482,058)
Net position - beginning	16,359,140	16,841,198
Net position - ending	\$ 15,584,514	\$ 16,359,140

Governmental Activities

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

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

	Total Cost of Services		Net Benefit of Services	
	2024	2023	2024	2023
Culture and recreation	<u>\$ 7,586,432</u>	<u>\$ 7,852,297</u>	<u>\$ (6,982,468)</u>	<u>\$ (7,782,040)</u>

The Bureau's Funds

The following schedule presents a summary of the special revenue funds and expenditures for the years ended December 31, 2024 and 2023. Also presented on the schedule is the amount and percentage of increase or decrease from amounts for the year ended December 31, 2024.

	Totals		Change	%
	2024	2023	from 2023	Variance
Revenues:				
Occupancy tax	\$ 7,723,929	\$ 8,014,397	\$ (290,468)	(3.62)%
Interest and dividends	596,131	566,571	29,560	5.22%
Gift shop	22,220	23,842	(1,622)	(6.80)%
Intergovernmental	487,006	-	487,006	- %
Cooperative advertising	94,738	47,415	47,323	99.81%
Proceeds on sale of assets	16,089	149	15,940	10,730.62%
Miscellaneous	<u>25,390</u>	<u>8,915</u>	<u>16,475</u>	<u>184.82%</u>
Total revenues	<u>\$ 8,965,503</u>	<u>\$ 8,661,289</u>	<u>\$ 304,214</u>	<u>3.52%</u>
Expenditures:				
Advertising, sales and promotions	\$ 3,202,719	\$ 3,526,868	\$ (324,149)	(9.19)%
Personnel services, taxes and benefits	2,934,625	2,743,171	191,454	6.98%
Accounting	51,944	45,656	6,288	13.77%

(continued on next page)

	Totals		Change	%
	2024	2023	from 2023	Variance
Automobile	26,692	28,754	(2,062)	(7.17)%
Building maintenance	131,776	145,044	(13,268)	(9.15)%
Equipment contracts	116,779	112,980	3,799	3.36%
Gift shop	14,764	11,279	3,485	30.90%
Insurance-general	199,394	231,867	(32,473)	(14.00)%
Legal/professional fees	29,729	86,224	(56,495)	(65.52)%
Miscellaneous	4,721	1,297	3,424	263.90%
Office	10,710	13,495	(2,785)	(20.64)%
Utilities	50,229	55,133	(4,904)	(8.89)%
Grants	448,830	412,941	35,889	8.69%
Capital outlay	954,784	198,606	756,178	380.74%
Economic development	973,760	202,180	771,580	381.63%
Intergovernmental	1,136,712	1,168,103	(31,391)	(2.69)%
Right of use subscription	159,348	430,460	(271,112)	(63.00)%
Right of use lease	6,226	6,748	(522)	(7.74)%
Bond retirement	185,000	180,000	5,000	2.78%
Interest expense	43,224	44,767	(1,543)	(3.45)%
Total expenditures	<u>\$10,681,965</u>	<u>\$ 9,645,573</u>	<u>\$1,036,392</u>	10.74%

Revenue:

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

- Intergovernmental revenue: Related to funding received under the State of Louisiana Act 397 for the construction of the Mardi Gras Museum. Additionally, reimbursements were requested from the Economic Development Administration (EDA) for architect services, grant management expenses, and initial construction costs.
- Cooperative Programs: Revenue from cooperative programs increased by 99.81% compared to the previous year. This increase was attributed to expanded initiatives in 2024, including sponsorship of the Lake Charles Junior Championship and a cooperative endeavor agreement with the City of Lake Charles for a feasibility study on an Indoor Sports Facility. Furthermore, field rental deposits rose, reflecting higher utilization of fields for tournaments.
- Interest and Dividends: Revenue in this category grew by 5.22%, driven by a modest increase in interest rates.

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

- Occupancy Tax: Revenue from occupancy tax fell by 3.62%, primarily due to a slight decrease in the average daily room rate.

Expenses:

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

- Personnel services, taxes and benefits: An increase of 6.98% relates to higher benefits cost and executive retention payout.
- Economic Development: Expenses in this category surged by 381.63%, reflecting the final installment payments for the McNeese Sports Facility Project and the Port Wonder Project, both of which reached completion. Additionally, construction of the Mardi Gras Museum, which broke ground in 2024, contributed to the increase.
- Capital Outlay: Expenses rose by 380.74%, driven by the construction of the Annex addition, including furnishings, wiring, and a security system. The category also included the purchase of a new vehicle for the Marketing Department.
- Grant Programs: Expenses increased by 8.69%, driven by investments in Westlake High School sports project and higher disbursements for Meeting & Travel Incentives, reflecting growth in meetings and convention business. These increases were partially offset by a reduction in funding for the Tourism Marketing Initiative Grant, administered by the Arts and Humanities Council of Southwest Louisiana, due to lower program participation.

The increases in expenses were offset by the following reductions:

- Advertising, Sales, and Promotions: Expenses in this category decreased by 9.19%, primarily due to reduced budgets for media production and advertising. This decrease reflects the optimization of marketing expenditures from prior year, during which a brand activation campaign had been implemented.
- Insurance General: Experienced a reduction in property insurance premiums contributing to the overall cost savings in this category.
- Legal and Professional Services: A significant decrease of 65.52% occurred, primarily due to architect fees incurred in the prior year related to the construction of the Annex.
- Right of use Subscription and Lease Expenses: Expenses in this category decreased by 62.14%, attributable to the initial implementation of GASB 96 in the prior year. This accounting change reclassified many software agreements, which had previously been recorded as advertising expenses.

Significant Budget Variances

Over the course of the year, the Bureau revised the special revenue fund budget two times. These amendments were done as a response to the decrease in Occupancy Tax experienced in the first half of the year and increased remaining cost of Annex construction and a end of the year adjustment for the delay of the Mardi Gras Construction. These amendments decreased budget revenues by \$140,000 and increased

expenditures by \$72,500.

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

Revenues:

Decrease of \$100,000 in Occupancy Tax Revenue due to a slight decline in tax collections experienced in the first half of the year.

Decrease of \$40,000 in Cooperative Program Funding resulting from the Golf Cooperative Program not taking place.

Expenses:

Increase of \$60,000 for media production allocated for the Culinary and Outdoor-focused production shoot and associated advertising development.

Increase of \$10,000 for advertising specialties to procure promotional items for the newly established Lake Charles Regional Sports Authority.

Increase of \$212,500 for fixed asset purchases with the completion of the Annex Construction project, primarily funded by the Building Repair and Renovations Fund, and the replacement of the marketing vehicle.

Decrease of \$85,000 in media advertising related to the cancellation of the Golf Cooperative Program and the deferral of budgeted advertising campaign in favor of funding the Culinary and Outdoor project.

Decrease of \$17,500 in printed advertising achieved by reducing print quantities and delaying budgeted brochure printing due to lower-than-expected Occupancy Tax collections.

Decrease of \$37,500 in business promotion reflecting reductions in planned media/individual familiarization tours, cancellation of a sports event and sponsorship, partially offset by increased annual fees to the U.S. Travel Chairman's Circle.

Decrease of \$60,000 in grant programs due to unused grant opportunities during the reporting period.

Decrease of \$10,000 in utilities resulting from delayed projected operating costs of the annex due to construction completion delays.

Capital Assets

At the end of December 31, 2024 and 2023, the Bureau had \$4,310,031 and \$3,718,769, respectively, in capital assets. See Note 3 for additional information about changes

in capital assets during the year. The following table provides a summary of capital asset activity:

Capital Assets
(net of depreciation and amortization)

	<u>2024</u>	<u>2023</u>
Land and construction in progress	\$ 600,396	\$ 612,368
Building	3,316,729	2,554,936
Transportation equipment	98,856	61,036
Furniture and fixtures	138,098	163,640
Right of use lease assets	6,435	12,435
Right of use subscription assets	149,517	314,354
	<u>\$ 4,310,031</u>	<u>\$ 3,718,769</u>

Long-Term Debt

At the end of the fiscal year, the Bureau had total bonded debt outstanding of \$815,000, a decrease of \$185,000 from last year, a total right of use lease asset liability outstanding of \$6,907, a decrease of \$6,226 from last year, and a right of use subscription liability outstanding of \$133,732, a decrease of \$159,348 from last year. The following table provides a summary of long-term debt activity:

Outstanding Debt at Year-End

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Revenue bonds (backed by specific tax and fee revenues)	\$ 815,000	\$ 1,000,000
Right of use lease asset liabilities	6,907	13,133
Right of use subscription asset liabilities	133,732	-
	<u>\$ 955,639</u>	<u>\$ 1,306,213</u>

See Note 4 for additional information.

Economic Factors

The tourism economy in Southwest Louisiana remains resilient, driven by a steady stream of festivals, meetings, conventions, and sporting events that continue to boost visitation. While the region is still operating with approximately 600 fewer hotel rooms compared to pre-hurricane levels, both tax revenue and average daily rates have only seen slight year-over-year declines.

A recent Resident Sentiment Study confirmed strong community support for tourism, with 90% of respondents recognizing Visit Lake Charles's positive impact on local jobs, economic development, and cultural vitality.

The award-winning As Much Joy as You Can Pack In campaign garnered both state and national acclaim, continuing to generate strong engagement and visitor interest. Meanwhile, the Chuck Eats Restaurant Week campaign spotlighted Southwest Louisiana's diverse culinary scene and delivered a 41% increase in out-of-town diners, thanks to targeted marketing that reached both local and regional audiences. Visit Lake Charles also expanded its digital presence with Vista Lake Charles: Las Voces de Luisiana, the region's first Spanish-language podcast series.

On the group sales front, the team exceeded 2024 goals by more than 10% in both new and repeat business, securing 8,113 new business room nights and 17,162 repeat business room nights. The destination proudly hosted several major state conferences, including the Louisiana Association of School Business Officials, the Louisiana Sheriffs' Association, the Louisiana Emergency Preparedness Association, and the Louisiana Chapter of the National Institute of Governmental Purchasing.

In the sports tourism arena, the launch of the Lake Charles Regional Sports Authority marked a significant step in establishing the area as a leading sports destination. Major events such as the LHSAA State Tournaments, USSSA competitions, and two high-profile golf tournaments—the Lake Charles Championship and the American Junior Golf Association tournament—brought strong visibility and visitor impact. The region also welcomed the Gumbeaux Gators, a new collegiate-level baseball team, which drew strong attendance in its inaugural season.

Visitor spending in 2024 showed a robust 14% increase over 2023, including a 21% spike in restaurant spending—further affirming the effectiveness and influence of our culinary marketing efforts.

Contacting the Bureau's Financial Management

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

Kyle Edmiston, President/Chief Executive Officer

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION
December 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 12,294,807
Investments	193,333
Accounts receivable	51,658
Intergovernmental receivable	187,029
Taxes receivable	523,050
Prepaid expenses	46,268
Total current assets	<u>13,296,145</u>

NONCURRENT ASSETS

Right of use leased assets, net of amortization	6,435
Right of use subscription assets, net of amortization	149,517
Capital assets not being depreciated:	
Land	459,596
Construction in progress	140,800
Capital assets, net of accumulated depreciation	3,553,683
Total noncurrent assets	<u>4,310,031</u>

Total assets	<u>17,606,176</u>
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CURRENT LIABILITIES

Accounts payable	695,723
Accrued liabilities	162,496
Accrued interest	14,471
Deferred compensation benefits	193,333
Total current liabilities	<u>1,066,023</u>

NONCURRENT LIABILITIES

Bonds payable:	
Due in one year	190,000
Due in more than one year	625,000
Right of use leased asset liability:	
Due in one year	4,206
Due in more than one year	2,701
Right of use subscription asset liability:	
Due in one year	92,092
Due in more than one year	41,640
Total noncurrent liabilities	<u>955,639</u>

Total liabilities	<u>2,021,662</u>
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NET POSITION

Net investment in capital assets	3,354,392
Unrestricted	<u>12,230,122</u>

Total net position	<u>\$ 15,584,514</u>
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The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Net Revenue (Expense)</u>
Governmental activities:				
Culture and recreation	\$ 7,586,432	\$ 22,220	\$ 581,744	\$ (6,982,468)
Economic development	973,760	-	-	(973,760)
Interest	43,225	-	-	(43,225)
Total governmental activities	<u>\$ 8,603,417</u>	<u>\$ 22,220</u>	<u>\$ 581,744</u>	(7,999,453)
General revenues:				
Occupancy tax				7,723,929
Interest				596,131
Gain on sale of assets				16,089
Intergovernmental expense				(1,136,712)
Miscellaneous				<u>25,390</u>
Total general revenues				<u>7,224,827</u>
Change in net position				(774,626)
Net position - beginning				<u>16,359,140</u>
Net position - ending				<u>\$ 15,584,514</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 12,294,807
Investments	193,333
Accounts receivable	51,658
Intergovernmental receivable	187,029
Taxes receivable	523,050
Prepaid expenses	46,268
Total assets	<u>\$ 13,296,145</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$ 695,723
Accrued liabilities	162,496
Accrued interest	14,471
Deferred compensation benefit	193,333
Total liabilities	<u>1,066,023</u>

Fund equity:

Fund balance:	
Committed	10,341,857
Unassigned	1,888,265
Total fund equity	<u>12,230,122</u>

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

Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,435
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Right of use subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.	149,517
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds, consisting of:	
Land and construction in progress	600,396
Capital assets, net of \$2,034,937 accumulated depreciation	<u>3,553,683</u>
	4,154,079

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds	<u>(955,639)</u>
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Net position of government activities	<u>\$ 15,584,514</u>
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The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

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

Year Ended December 31, 2024

Revenues:	
Occupancy tax	\$ 7,723,929
Interest, dividends	596,131
Gift shop	22,220
Intergovernmental	487,006
Advertising revenues	94,738
Proceeds from sale	16,089
Miscellaneous	<u>25,390</u>
Total revenues	<u>8,965,503</u>
Expenditures:	
Current:	
Culture and recreation	8,352,187
Economic development	973,760
Intergovernmental	1,136,712
Debt service:	
Principal	185,000
Interest	<u>34,306</u>
Total expenditures	<u>10,681,965</u>
Excess (deficiency) of expenditures over revenues	(1,716,462)
Fund balance - beginning	<u>13,946,584</u>
Fund balance - ending	<u>\$ 12,230,122</u>

(continued on next page)

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

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

Year Ended December 31, 2024

(Continued)

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

Net change in fund balances-total governmental funds \$ (1,716,462)

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

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

Capital asset purchases capitalized	954,784
Proceeds from sale of capital assets in excess of gain on sale	-
Depreciation expense	(192,685)
(Loss on sale of asset)	-
Net effect of right of use lease liability recognition	6,226
Net effect of right of use subscription liability recognition	159,348
Amortization expense for intangible assets	(170,837)

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

Bond principal payments	<u>185,000</u>
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Change in net position of governmental activities	<u>\$ (774,626)</u>
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The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
December 31, 2024

ASSETS

Investments	<u>\$ 2,600,366</u>
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LIABILITIES

Deferred compensation benefits	<u>\$ 2,600,366</u>
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The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
Year Ended December 31, 2024

ADDITIONS	
Employee and employer contributions	\$ 325,976
Net appreciation in fair value of investments	277,661
Dividend earnings	<u>116,282</u>
Total additions	<u>719,919</u>
DEDUCTIONS	
Withdrawals	239,974
Fund transfers	-
Fees	<u>21,572</u>
Total deductions	<u>261,546</u>
Change in net position	458,373
Net position held in agency funds:	
Beginning of year	<u>2,141,993</u>
End of year	<u>\$ 2,600,366</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

A. NATURE OF BUSINESS

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

B. REPORTING ENTITY

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

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

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

C. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

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

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

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

Revenues:

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

Expenditures:

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

Advertising:

The Bureau elects to expense advertising cost as incurred. The advertising cost for the year ended December 31, 2024 amounted to \$3,202,719.

Pervasiveness of estimates:

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

Deferred outflows of resources and deferred inflows of resources:

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

Net position flow assumption:

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

E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

During the year ended December 31, 2024, budgeted amounts for revenues were decreased \$140,000 and expenditures were increased \$72,500. Revenues decreased due to the Golf Co-Op program not happening and a decrease in occupancy revenue during the first half of the year. Expenditures increased due to the cost of completion of the annex building construction and cost to replace the marketing vehicle.

F. DEPOSITS AND INVESTMENT DEPOSITS

DEPOSITS

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

State statutes authorize the Bureau to invest in obligations of the US Treasury, US Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated

in R.S. 39:1271, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which generates a local government investment pool. Investments in LAMP at December 31, 2024 totaled \$781,408.

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

The deposits at December 31, 2024 are as follows:

December 31, 2024	<u>Demand Deposits</u>
Carrying amount	\$ <u>11,513,049</u>
Bank balances:	
a. Federally insured	\$ 250,000
b. Collateralized by securities held by the pledging financial institution	11,163,146
c. Uncollateralized and uninsured	<u>-</u>
Total bank balances	\$ <u>11,413,146</u>

INVESTMENTS

As of December 31, 2024, the Bureau had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>
Merrill Lynch-mutual fund portfolio	\$ 193,333

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

Credit Risk. The Bureau's investments program is limited to purchases

of securities issued or guaranteed by the U.S. Government and its agencies.

G. CAPITAL ASSETS AND DEPRECIATION

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

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

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

H. COMPENSATED ABSENCES

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

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

I. BAD DEBTS

No reserve for uncollectible receivables had been recorded as of December 31, 2024, as all receivables were considered collectible.

J. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of uncollected occupancy tax assessments.

K. RIGHT OF USE LEASE ASSETS

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

L. RIGHT OF USE SUBSCRIPTION ASSETS

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

Note 2. Lease Agreement

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

Note 3. Capital Assets

Capital asset activity for the year ending December 31, 2024 was as follows:

	Balance 1/1/24	Additions	Deductions	Balance 12/31/24
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 459,596	\$ -	\$ -	\$ 459,596
Construction in progress	152,772	863,417	875,389	140,800
Total capital assets not being depreciated	612,368	863,417	875,389	600,396
Capital assets being depreciated/amortized:				
Building and grounds	3,963,757	875,389	-	4,839,146
Furniture and equipment	468,621	26,362	-	494,983
Transportation equipment	211,146	65,005	21,660	254,491
Right of use lease assets	40,047	-	-	40,047
Right of use subscription assets	418,303	-	-	418,303
Total capital assets being depreciated/amortized	5,101,874	966,756	21,660	6,046,970
Less accumulated depreciation/amortization:				
Building and grounds	1,408,821	113,596	-	1,522,417
Furniture and equipment	304,981	51,904	-	356,885
Transportation equipment	150,110	27,185	21,660	155,635
Right of use lease assets	27,612	6,000	-	33,612
Right of use subscription assets	103,949	164,837	-	268,786
Total accumulated depreciation/ amortization	1,995,473	363,522	21,660	2,337,335
Total capital assets being depreciated/amortization, net	3,106,401	603,234	-	3,709,635
Government activities capital assets, net	\$ 3,718,769	\$ 1,466,314	\$ 875,052	\$ 4,310,031

Depreciation and amortization expense of \$363,522 was charged to culture and recreation.

Note 4. Noncurrent Liabilities

Bonds payable is comprised of the following at December 31, 2024:

Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds Series 2013 payable to Argent Trust Company in the original amount of \$2,500,000 bearing 3.874%, payable semi-annually on August 1 (interest) and February 1 (principal and interest) each year. \$ 815,000

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

Year Ending December 31	LCDA Revenue Bonds	
	Principal	Interest
2025	\$ 190,000	\$ 27,893
2026	200,000	20,339
2027	210,000	12,397
2028	215,000	4,165
Total	<u>\$ 815,000</u>	<u>\$ 64,793</u>

Leases

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

The first agreement was executed on January 22, 2020, to lease computer equipment and requires 63 monthly payments of \$251. The second agreement was executed on July 7, 2021, to lease computer equipment and requires 63 monthly payments of \$302. There are no variable payment components in any of the leases. The lease liabilities are measured at a discount rate of 4%. As a result of the leases, the Bureau has recorded a right to use asset with a net book value of \$6,435 at December 31, 2024.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2024 were as follows:

Year Ending December 31	Principal Payments	Interest Payments	Total
2025	\$ 4,206	\$ 191	\$ 4,397
2026	2,701	45	2,746
	<u>\$ 6,907</u>	<u>\$ 236</u>	<u>\$ 7,143</u>

Subscription-Based Information Technology Arrangements

The Bureau has entered into subscription-based information technology arrangements (SBITAs) for certain cloud-based software. The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception. There are no variable payment components in any of the SBITAs. The subscription liabilities are measured at a discount rate of 4%. As a result of the SBITAs, the Bureau has recorded a right of use asset with a net book value of \$149,517 at December 31, 2024 which includes \$9,075 of implementation expenses the Bureau paid prior to the subscription inception.

The future minimum SBITA obligations and the net present value of these minimum subscription payments as of December 31, 2024 were as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2025	\$ 92,092	\$ 4,954	\$ 97,046
2026	41,640	1,254	42,894
	<u>\$ 133,732</u>	<u>\$ 6,208</u>	<u>\$ 139,940</u>

Summary of changes in noncurrent liabilities:

	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/24</u>	<u>Due</u> <u>Within One</u> <u>Year</u>
LCDA Revenue Bonds Series					
2013	\$1,000,000	\$ -	\$ 185,000	\$ 815,000	\$ 190,000
Right of use lease asset					
liability	13,133	-	6,226	6,907	4,206
Right of use subscription					
asset liability	<u>293,080</u>	<u>-</u>	<u>159,348</u>	<u>133,732</u>	<u>92,092</u>
Total changes in noncurrent					
liabilities	<u>\$1,306,213</u>	<u>\$ -</u>	<u>\$ 350,574</u>	<u>\$ 955,639</u>	<u>\$ 286,298</u>

Note 5. Compensation for Board of Directors

The Board of Directors received no compensation for the year ended December 31, 2024.

Note 6. Equity

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

Non-spendable -

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

Restricted -

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

Committed -

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

Assigned -

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

Unassigned -

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

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

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

Vehicle fund	\$ 124,206
Building repairs and renovations fund	249,250
Sports war chest fund	432,435
Emergency operations fund	4,157,451
Major event fund	631,292
CNTAP fund	966,339
LA tourism recovery fund	2,760,310
Mardi Gras Museum fund	441,003
Executive retention fund	469,324
Live arts venue fund	<u>110,245</u>
	<u>\$ 10,341,857</u>

The Bureau has a formal minimum fund balance policy.

Net Position

Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Note 7. Occupancy Tax

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

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

Note 8. Accounts Receivable

Accounts receivable balances are comprised of occupancy tax amounts collected in 2024 but remitted to the Bureau in January of 2025. Total occupancy tax receivable for 2024 is \$523,050. This amount includes Act 608 collection receivables.

Note 9. Deferred Compensation Plan

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

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

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

Note 10. Fair Value

The Bureau categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Bureau had the following recurring fair value measurements as of December 31, 2024:

Governmental Activities

Investments reported at fair value in the Bureau's governmental activities consist of investments held by the model Rabbi trust described in Note 9. The investments are shown as assets on the Bureau's Statement of Net Position and Balance Sheet along with corresponding liabilities on each statement as they are held on behalf of the trust's beneficiary. The investments consist of money market and mutual funds. Money market investments of \$9,637 are not subject to fair value measurement. The remainder of the balance consists of mutual funds which are traded on active markets and are considered level 1 investments.

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
Investments by Fair Value Level <u>12/31/2024</u>				
Mutual funds:				
World Allocation funds	\$ 144,973	\$ 144,973	\$ -	\$ -
Bond funds	<u>38,723</u>	<u>38,723</u>	<u>-</u>	<u>-</u>
	<u>\$ 183,696</u>	<u>\$ 183,696</u>	<u>\$ -</u>	<u>\$ -</u>

Fiduciary Activities

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

Investments by Fair Value Level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
12/31/2024				
Mutual funds:				
Large Cap Growth funds	\$ 499,291	\$ 499,291	\$ -	\$ -
Mid Cap Growth funds	21,851	21,851		
Large Value funds	7,369	7,369		
Mid Cap Blend funds	192,740	192,740	-	-
Large Cap Blend funds	708,503	708,503	-	-
Small Cap Blend funds	175,237	175,237	-	-
Diversified Emerging Markets funds	135,029	135,029	-	-
Real estate	36,470	36,470	-	-
US Fund intermediate government	102,886	102,886	-	-
US Multi-Sector bond	141,062	141,062	-	-
US Fund intermediate core-plus bond	104,757	104,757	-	-
Foreign Large Blend funds	120,623	120,623	-	-
Foreign Large Growth funds	89,497	89,497	-	-
Conservative allocation	11,171	11,171	-	-
Moderately conservative allocation	120,643	120,643	-	-
Moderate allocation	125,714	125,714	-	-
Moderately aggressive Allocation	7,523	7,523	-	-
	<u>\$ 2,600,366</u>	<u>\$ 2,600,366</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

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

- Budgetary comparison schedules - Special Revenue Fund

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL

SPECIAL REVENUE

Year Ended December 31, 2024

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Occupancy tax	\$ 7,800,000	\$ 7,700,000	\$ 7,723,929	\$ 23,929
Interest, dividends	20,000	20,000	596,131	576,131
Intergovernmental	2,340,000	2,340,000	487,006	(1,852,994)
Gift shop	25,000	25,000	22,220	(2,780)
Advertising revenues	189,000	149,000	94,738	(54,262)
Miscellaneous	500	500	25,390	24,890
Proceeds on sale	3,000	3,000	16,089	13,089
Insurance proceeds	-	-	-	-
Total revenues	<u>10,377,500</u>	<u>10,237,500</u>	<u>8,965,503</u>	<u>(1,271,997)</u>
Expenditures:				
Current:				
Culture and recreation	7,737,500	7,597,500	8,352,187	(754,687)
Economic development	3,640,000	3,640,000	973,760	2,666,240
Intergovernmental	1,140,000	1,140,000	1,136,712	3,288
Capital outlay	602,000	814,500	-	814,500
Debt service:				
Principal	185,000	185,000	185,000	-
Interest	<u>38,000</u>	<u>38,000</u>	<u>34,306</u>	<u>3,694</u>
Total expenditures	<u>13,342,500</u>	<u>13,415,000</u>	<u>10,681,965</u>	<u>2,733,035</u>
Other financing sources:				
Issuance of right of use				
subscription liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,965,000)	(3,177,500)	(1,716,462)	1,461,038
Fund balances - beginning	<u>13,946,584</u>	<u>13,946,584</u>	<u>13,946,584</u>	<u>-</u>
Fund balances - ending	<u>\$10,981,584</u>	<u>\$10,769,084</u>	<u>\$12,230,122</u>	<u>\$ 1,461,038</u>

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO PRESIDENT/CEO

Year Ended December 31, 2024

Agency Head Name: Kyle Edmiston, President/CEO

Purpose	Amount
Salary	\$ 279,686
Benefits - insurance	33,399
Benefits - retirement	44,221
Vehicle provided by government	3,791
Travel	6,705
Registration fees	2,694
Conference travel	25,977
Continuing professional education	2,948
Cell phone	1,800

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Southwest Louisiana Convention and Visitors Bureau's basic financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies,

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

McElroy Quail & Beach

Lake Charles, Louisiana
June 23, 2025

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2024

No findings to report.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2024

2023-001 Bid Law

Condition: The Bureau did not comply with two elements of the Louisiana Public Bid Law.

Recommendation: The Bureau should consult with its legal counsel and the Legislative Auditor's office to determine if any remedial action is required.

Current status: No similar finding in the current year.

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas of Southwest Louisiana Convention and Visitors Bureau (the Bureau) identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Bureau's management is responsible for those C/C areas identified in the SAUPs.

The Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Collections (excluding electronic funds transfers)

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

No exceptions noted.

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

- i. Employees responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- D. Randomly select two deposit dates for each of the bank accounts selected (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 4 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

One deposit was not made within 1 business day of receipt.

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

No exceptions noted.

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

We are required to be independent of Southwest Louisiana Convention & Visitors Bureau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Mr. Tracy Quil & Bank

Lake Charles, Louisiana
June 23, 2025



June 9, 2025

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

Re: Agreed Upon Procedures 2024

Please see below responses to the exception noted in the 2024 Agreed Upon Procedures report issued by your office.

In response to the noted exception to #4D.(iv) concerning deposits not made within one business day of receipt at the collection location, it should be pointed out that the deposits made follow the guidelines set forth by our Financial Procedure and Internal Control Policy approved by the CVB Board of Directors. This policy states:

Gift Shop Receipts will be deposited each day unless the total collections are under \$500. In this instance, a weekly deposit will be made by the Director of Accounting. All collections are locked in a secure location until the deposit is to be sent to the bank. All other receipts are deposited in a timely manner.

There were no daily gift shop deposits in the testing period that exceeded the \$500; however, one check exceeded the \$500 minimum collection. This check was not for Gift Shop receipts; therefore, per our policy, other receipts are deposited in a timely manner which was within a week of receipt. Management has determined that requiring daily deposits is not financially feasible due to the minimal gift shop collection receipt totals operating with a small accounting staff.

Management has determined that these procedures allow for compensating control to address this type of circumstance with increased scrutiny.

Sincerely,

Kyle Edmiston
President/CEO