

EISNER&ER

VISIT BATON ROUGE

FINANCIAL REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Visit Baton Rouge
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Visit Baton Rouge (VBR) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise VBR'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 and each major fund of Visit Baton Rouge, as of December 31, 2024, and the respective changes in financial position, thereof 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 (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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Visit Baton Rouge 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, VBR adopted new accounting guidance in 2024, Governmental Accounting Standards Board (GASB) No. 100, *Accounting Changes and Error Corrections – an amendment of GASB statement 62*, and No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 VBR'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.

Auditors' 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 auditors' 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 judgment 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 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 VBR'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 VBR'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 management's discussion and analysis, schedule of funding progress and employer contributions for other post-employment benefit plan, and the budgetary comparison schedules on, as listed in the table of contents, 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Visit Baton Rouge basic financial statements. The accompanying schedule of compensation, benefits and other payments to the Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits and other payments to the Chief Executive Officer 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 the Chief Executive Officer 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 24, 2025 on our consideration of VBR's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 VBR's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
April 24, 2025

EISNERAMPER
LLP



VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

This section of Visit Baton Rouge's (VBR) annual financial report presents our discussion and analysis of VBR's financial performance during the year that ended on December 31, 2024. Please read it in conjunction with VBR's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- VBR's net position was \$11,682,726 for governmental activities at December 31, 2024, an increase of 0.1% from net position as of December 31, 2023, restated of \$11,514,046.
- During December 2021, VBR received a Tourism Revival Grant from the Louisiana Division of Administration in the amount of \$3,683,253. As of December 31, 2024, there were \$1,147,601 of funds recognized as revenue from the grant as compared to \$2,535,652 at December 31, 2023. As of December 31, 2024 there was \$1,076,601 of expenditures that were used to market and promote visitor spending and to drive business travel, conventions, and general tourism. As of December 31, 2023, there were \$547,500 of expenditures that was used for advertising and promotion and \$1,988,152 was reimbursed for the loss of statutorily enabled revenues as defined by the grant. The grant program was completed as of fiscal year end 2024.
- The overall increase in VBR's net position of \$168,680 can be attributed primarily to an increase in funds based on tourism increasing with more events and concerts being held in the City.
- The general fund ended the years 2024 and 2023 with a \$11,342,723 and \$11,128,367 fund balance, respectively, which represents approximately 149% of annual expenditures each year. Of that balance for the years ended 2024 and 2023, \$2,276,049 and \$3,525,096, respectively, was unassigned and available for general use.
- Effective January 1, 2024, VBR adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* recording a liability for compensated absences of \$36,522 at December 31, 2024. The change in accounting principle resulted in a \$23,301 change to beginning net position for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of VBR:

- The government-wide financial statement of net position and statement of activities provide long-term information about VBR's overall financial status and economic condition.
- The fund financial statements focus on the general fund and the special revenue fund of VBR. These financial statements provide a short-term picture of VBR's financial condition, telling how VBR fared in meeting its current operating needs, and how much is available for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Government-wide Financial Statements

The government-wide statements report information about VBR as a whole using accounting methods similar to those used by private-sector companies. The government-wide statements report VBR's net position and how it has changed. The statement of net position includes all of the government's assets, deferred outflows, liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Net position — the difference between VBR's assets, deferred outflows, liabilities and deferred inflows— is one way to measure VBR's financial health, or position. Over time, increases or decreases in VBR's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of VBR, one needs to consider additional nonfinancial factors such as changes in the tourism climate that affects VBR's hotel/motel tax revenues, and the local economy.

Fund Financial Statements

The fund financial statements present VBR's funds – the general fund and the special revenue fund (Tourism Revival Fund). Funds are accounting devices used to keep track of specific sources of funding and spending for particular purposes. VBR's general fund and special revenue fund are governmental-type funds and, as such, follow the modified accrual basis of accounting. Under this accounting basis, the focus is on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, governmental fund statements provide a detailed short-term view that helps one determine whether there are more or less financial resources that can be spent in the near future to finance VBR's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide adjustment columns to bridge the differences between the two statements and to provide explanations of the relationship.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

FINANCIAL ANALYSIS OF VBR

Table A-1 Net Position		
	2024	2023, restated
Cash, investments, and other assets	\$ 11,529,888	\$ 12,822,766
Capital assets	1,718,739	1,667,319
Deferred outflows	337,319	423,891
Total assets and deferred outflows	13,585,946	14,913,978
Accounts payable	187,165	469,173
Unearned revenues	-	1,147,601
Long term liabilities	1,518,807	1,608,872
Deferred inflows	197,248	174,286
Total liabilities and deferred inflows	1,903,220	3,399,932
Net position		
Net investment in capital assets	1,466,339	1,371,319
Restricted for Tourism Revival Grant	-	77,627
Unrestricted	10,216,387	10,065,100
Total net position	\$ 11,682,726	\$ 11,514,046

A substantial portion of the assets of VBR are liquid and generally available for spending. Amounts invested in capital assets consist primarily of a renovated office building, office furniture and vehicles.

Change in net position

VBR's change in net position, or overall net gain, was \$168,680. The change in net position results from revenues exceeding expenses. The net gain is primarily attributable to continued events being held in the city increasing tourism in the city.

Hotel-Motel taxes of \$7,092,568 reflect a 2.4% decrease over 2023 revenues. Hotel-Motel taxes represent 92.6% and 93.2% of total revenues for 2024 and 2023, respectively.

Table A-2 shows the composition of revenues and summarizes the expenses for the years ended 2024 and 2023.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Change in net position (continued)

Table A-2 Changes in VBR's Net Position		
	2024	2023, restated
Revenues		
General revenues		
Hotel-Motel taxes	\$ 7,092,568	\$ 7,264,244
Interest	548,408	503,313
Miscellaneous	-	23,632
Total general revenues	7,640,976	7,791,189
Program revenues		
Tourism Revival Fund	1,147,601	2,535,652
Total revenues	8,788,577	10,326,841
Expenses		
Payroll	2,478,777	2,084,400
Promotions	4,811,967	4,076,531
General and Administrative	1,178,562	1,159,287
City tax rebates	150,591	168,148
Total expenses	8,619,897	7,488,366
Increase in net position	\$ 168,680	\$ 2,838,475

Payroll and promotional activities together represent 84.6% and 82.2% of total expenses in 2024 and 2023, respectively, underscoring the importance of quality employees to promote and sell Baton Rouge as a tourism and convention destination.

Financial Analysis of the General Fund

VBR completed the years ended 2024 and 2023 with a general fund balance of \$11,342,723 and \$11,128,367, respectively. Of the 2024 fund balance, \$8,850,693 has been committed by the Board for various projects, \$215,981 has been disbursed and is recorded as a prepaid asset, and \$2,276,049 is available for general use. The unassigned fund balance is the result of an accumulation of prior year operating surpluses and will allow VBR to continue operations in times of decreasing revenue and to pursue other projects as it may deem appropriate.

General Fund Budgetary Highlights

Under the budget, the general fund operated at a net surplus of \$214,356 which was \$941,310 more favorable than the budgeted deficit of \$726,954. This favorable result is attributable to VBR receiving more tax revenues over the budget amount and due to less spending than budgeted by VBR.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

CAPITAL ASSETS

At the end of December 31, 2024 and 2023, VBR had invested \$1,718,739 and \$1,667,319 respectively, in a building, office equipment and land. See Table A-3. This amount represents a net increase (including additions and deductions) of \$51,420 or 3% from last year.

	Table A-3 VBR's Capital Assets (net of depreciation) (See also Note 4 in the financial statements)	
	2024	2023
Equipment and software	\$ 478,472	\$ 455,754
Building	1,470,290	1,470,290
Land	623,786	623,786
Construction in Progress	89,052	-
Accumulated depreciation	(942,861)	(882,511)
Total	\$ 1,718,739	\$ 1,667,319

The main increase in capital assets is attributed to costs related to the addition in construction in progress related to planning and professional services associated with the future VBR headquarters and Visitor Center. No agreements or contracts for renovations and repairs have been executed as of December 31, 2024.

LONG TERM DEBT

On September 21, 2007, VBR entered into an intergovernmental contract with the City of Baton Rouge, Louisiana to borrow \$1,000,000 for the purpose of paying for the improvement, renovation and equipping of the new headquarters of VBR. VBR utilized \$750,000 of the \$1,000,000 available. The outstanding balance at December 31, 2024 and 2023 was \$252,400 and \$296,000, respectively.

On January 29, 2021, VBR signed a Revenue Note, Series 2021 for the purpose of financing current and future operations and expenses in current and future fiscal years to ensure continuity of operations. The amount outstanding as of December 31, 2024 and 2023 was \$483,787.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In 2013, Visit Baton Rouge approved the benefit of post-employment medical and long-term care for retired employees for the first time. Prior to 2013, no benefits of any type were offered to retired employees. At December 31, 2024 and 2023 the other post-employment benefit obligation was \$746,098 and \$805,784, respectively.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

VBR's primary source of revenue is the Hotel-Motel tax. Revenues for 2025 have been budgeted based on known amounts for 2024 plus estimates for remaining periods. The budget was estimated at a conservative increase of hotel revenue however still considering industry predictions.

The increase is mainly driven by the 2025 USBC Open Championship and the reopening of the Belle Hotel in early 2025.

The budget also proposed decreases in operating expenditures by 10% due to significant planned increase in debt service for VBR's new headquarters and Visitor Center. Visit Baton Rouge plans to renovate the newly acquired building and relocate its headquarters upon completion, allocating approximately \$1,550,000 funds from the LAMP Building Improvements to pay off existing debt and cover the building's purchase. VBR will continue to monitor the budget and amended it as necessary.

CONTACTING VBR'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and other constituents with a general overview of VBR's finances and to demonstrate VBR's accountability for the money it receives. If you have questions about this report or need additional financial information, contact VBR's Chief Executive Officer, Jill Kidder, 359 Third Street, Baton Rouge, LA 70801 – (225) 383-1825.

VISIT BATON ROUGE
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	General Fund	Special Revenue Tourism Revival Fund	Total Governmental Funds	Adjustments	Governmental Activities Statement of Net Position
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,605,100	\$ -	\$ 1,605,100	\$ -	\$ 1,605,100
Investments - LAMP	8,850,693	-	8,850,693	-	8,850,693
Receivables	858,114	-	858,114	-	858,114
Prepaid expenses	215,981	-	215,981	-	215,981
Capital assets, net of accumulated depreciation	-	-	-	1,718,739	1,718,739
TOTAL ASSETS	<u>11,529,888</u>	<u>-</u>	<u>11,529,888</u>	<u>1,718,739</u>	<u>13,248,627</u>
<u>DEFERRED OUTFLOWS - OPEB</u>	-	-	-	337,319	337,319
<u>LIABILITIES</u>					
Accounts payable	187,165	-	187,165	-	187,165
Long-term liabilities					
Due within one year	-	-	-	46,900	46,900
Due in more than one year	-	-	-	689,287	689,287
Compensated absences	-	-	-	36,522	36,522
Other post-employment benefit obligation - due within one year	-	-	-	12,000	12,000
Other post-employment benefit obligation - due in more than one year	-	-	-	734,098	734,098
TOTAL LIABILITIES	<u>187,165</u>	<u>-</u>	<u>187,165</u>	<u>1,518,807</u>	<u>1,705,972</u>
<u>DEFERRED INFLOWS - OPEB</u>	-	-	-	197,248	197,248
<u>FUND BALANCES/NET POSITION</u>					
Nonspendable - prepaids	215,981	-	215,981	(215,981)	-
Committed	8,850,693	-	8,850,693	(8,850,693)	-
Unassigned	<u>2,276,049</u>	<u>-</u>	<u>2,276,049</u>	<u>(2,276,049)</u>	<u>-</u>
TOTAL FUND BALANCE	<u>11,342,723</u>	<u>-</u>	<u>11,342,723</u>	<u>(11,342,723)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,529,888</u>	<u>\$ -</u>	<u>\$ 11,529,888</u>		
Net position:					
Net investment in capital assets				1,466,339	1,466,339
Unrestricted				10,216,387	10,216,387
TOTAL NET POSITION				<u>\$ 11,682,726</u>	<u>\$ 11,682,726</u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total fund balances - Governmental funds		\$ 11,342,723
Cost of capital assets at December 31, 2024	2,661,600	
Less: accumulated depreciation as of December 31, 2024	<u>(942,861)</u>	1,718,739
Total other post-employment benefits obligation		(746,098)
Deferred inflows of resources related to OPEB liability		(197,248)
Deferred outflows of resources related to OPEB liability		337,319
Total compensated absences		(36,522)
Revenue Note, Series 2021		(483,787)
Contract payable- City of Baton Rouge		(252,400)
Net position at December 31, 2024 - Governmental Activities		<u><u>\$ 11,682,726</u></u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Special Revenue Tourism Revival Fund	Total Governmental Funds	Adjustments	Governmental Activities Statement of Activities
Expenditures/expenses:					
Current: Tourism					
Salaries and commissions	\$ 1,813,651	\$ -	\$ 1,813,651	\$ 13,221	\$ 1,826,872
Payroll taxes and benefits	602,057	-	602,057	49,848	651,905
Advertising and promotion	2,481,466	1,076,601	3,558,067	-	3,558,067
Trade shows and FAM/Site visits	180,810	-	180,810	-	180,810
Special promotions	1,073,090	-	1,073,090	-	1,073,090
General and administrative	1,076,596	-	1,076,596	-	1,076,596
City tax rebate	150,591	-	150,591	-	150,591
Depreciation expense	-	-	-	60,350	60,350
Debt service:					
Interest expense	41,616	-	41,616	-	41,616
Principal retirement	43,600	-	43,600	(43,600)	-
Capital outlay	111,770	-	111,770	(111,770)	-
Total expenditures/expenses	<u>7,575,247</u>	<u>1,076,601</u>	<u>8,651,848</u>	<u>(31,951)</u>	<u>8,619,897</u>
Program revenues:					
Tourism Revival Fund (operating grant)	-	1,147,601	1,147,601	-	1,147,601
Total program revenue	<u>-</u>	<u>1,147,601</u>	<u>1,147,601</u>	<u>-</u>	<u>1,147,601</u>
General revenues:					
Tax revenue	7,092,568	-	7,092,568	-	7,092,568
Interest income	518,875	29,533	548,408	-	548,408
Total general revenues	<u>7,611,443</u>	<u>29,533</u>	<u>7,640,976</u>	<u>-</u>	<u>7,640,976</u>
Excess of revenues over expenditures/ change in net position	<u>36,196</u>	<u>100,533</u>	<u>136,729</u>	<u>31,951</u>	<u>168,680</u>
Other Financing Sources (Uses)					
Transfers in/out	178,160	(178,160)	-	-	-
Total other financing sources (uses)	<u>178,160</u>	<u>(178,160)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance/net position	214,356	(77,627)	136,729	31,951	168,680
Fund balance/net position					
Beginning of year, as previously reported	11,128,367	77,627	11,205,994	331,353	11,537,347
Change in accounting principle (GASB 101)	-	-	-	(23,301)	(23,301)
Beginning of year, restated	11,128,367	77,627	11,205,994	308,052	11,514,046
End of year	<u>\$ 11,342,723</u>	<u>\$ -</u>	<u>\$ 11,342,723</u>	<u>\$ 340,003</u>	<u>\$ 11,682,726</u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances		\$	136,729
The change in net position reported for governmental activities in the statement of activities is different because of:			
Capital assets:			
Capital assets acquired for the year ended December 31, 2024	111,770		
Depreciation expense for year ended December 31, 2024	<u>(60,350)</u>		51,420
Total other post-employment benefit obligation change and associated deferrals			(49,848)
Total change in compensated absences			(13,221)
Long Term Debt:			
Principal portion of debt service payments			<u>43,600</u>
Change in net position		\$	<u>168,680</u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

Visit Baton Rouge (VBR) is a governmental entity established to promote travel and tourism in the Baton Rouge area. VBR is also responsible for attracting conventions to Baton Rouge. The basic operations of VBR are financed by hotel-motel taxes.

Reporting Entity

Governmental Accounting Standards Board (GASB) Codification Section 2100, establishes criteria for determining the governmental reporting entity and component units that should be included within a reporting entity. Under provisions of this Statement, VBR is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB, fiscally independent means that VBR may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. VBR also has no *component units*, defined by the standards as other legally separate organizations for which the elected VBR members are financially accountable. There are no other primary governments with which VBR has a significant relationship. VBR is not a component unit of any other entity.

Allowance for Uncollectible Accounts

Allowance for uncollectible accounts is established based on prior experience and management's assessment of collectability. Management believes all accounts are collectible at December 31, 2024.

Basis of Presentation and Accounting

VBR's basic financial statements consist of the government-wide statements of the primary government. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The following are VBR's governmental fund types:

Governmental Fund Types:

VBR reports the following governmental funds as major funds:

General Fund: The General Fund is the general operating fund of VBR. It accounts for all financial resources except those required to be accounted for in other funds. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Tourism Revival Fund: The Tourism Revival Fund accounts for the grant received from the Louisiana Division of Administration. The grant is for marketing and promoting Louisiana as a tourism destination for in-state and out-of-state travel activity. Tourism Revival Funds were applicable to VBR during fiscal year ended December 31, 2024 and 2023. This is considered a special revenue fund.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation and Accounting (continued)

Government-Wide Financial Statements (GWFS): The government-wide financial statements, consisting of the statement of net position and the statement of activities, are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. These statements include the financial activities of the overall government.

The statement of net position presents the assets, deferred outflows, liabilities and deferred inflows of VBR, with the difference reported as net position. Net position is further segregated between the amounts invested in capital assets, amounts which are restricted, and amounts which are unrestricted.

The statement of activities presents a comparison between expenses and program revenues for VBR's governmental activities. Program revenues include charges paid by the recipients of goods or services offered by VBR.

Fund Financial Statements (FFS): The fund financial statements provide information about VBR's general fund and special revenue fund. As a governmental fund type, the general fund and special revenue fund statements' measurement focus is on the flow of current financial resources, and the modified accrual basis of accounting is used. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets (fund balance).

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside VBR or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of VBR's highest level of decision-making authority.

Assigned – represents balances that are constrained by VBR's intent to be used for specific purposes but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation and Accounting (continued)

When an expenditure is incurred for a purpose for which restricted, committed, assigned and unassigned fund balances are available, as a general rule, VBR will apply expenditures first to restricted, committed, and assigned fund balances, in that order, with the remainder to unassigned.

Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those restricted assets. The restricted component of net position is used when there are limitations imposed on their use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.

The *unrestricted* component of Net Position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of Net Position.

When both restricted and unrestricted resources are available for use for a particular project or purpose, it is VBR's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

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 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.

Budgets and Budgetary Accounting

VBR adopts an annual budget that is prepared on the modified accrual basis of accounting for the General Fund and its Special Revenue Fund used in VBR's operations. The budgets are adopted by the board of directors at the December meeting preceding the next fiscal year. Any revisions that alter the total expenses must be approved by the board of directors. Since most budgeted projects occur within one fiscal year, VBR typically does not have any carryovers of appropriated expenditures into future fiscal years.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The cost of compensated absence privileges is recognized at the amount that normally would be liquidated with expendable financial resources.

All full-time employees earn from 10 to 15 days of vacation leave each year, depending on length of service with VBR. Vacation leave cannot be accumulated. Upon separation, all earned unused vacation leave for that year will be paid.

All full-time employees earn 10 days of sick leave each year. Sick leave may be accumulated not to exceed 20 workdays. If an employee resigns or is terminated, the employee will not be paid for any unused sick leave.

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual historical cost is not available. Capital assets are recorded in the GWFS but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated lives. Useful lives vary from 3 to 15 years for VBR's equipment, software and automobiles. The useful life for the building is 40 years. Capital assets are depreciated once they are placed in service, except for assets purchased after July 1. Those assets purchased after July 1 are depreciated beginning the following year.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Costs are recorded as expenditures at the time individual items are consumed (consumption method).

Unearned Revenue

Unearned revenues arise when resources are received by VBR before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when VBR has a legal claim to the resources, the unearned revenue is removed from the Statement of Net Position and revenue is recognized.

Current Year Adoption of New Accounting Standard

Visit Baton Rouge adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *"Accounting Changes and Error Corrections – an amendment of GASB statement No. 62."* The statement enhances financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. See footnote 16 for the change in accounting principle.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current Year Adoption of New Accounting Standard (continued)

Visit Baton Rouge adopted GASB Statement No. 101, *Compensated Absences*. Under this Statement, a liability for compensated absences is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The implementation of GASB 101 required VBR to record the compensated absences as noted in footnote 16.

2. BOARD MEMBER COMPENSATION

The Board Members of VBR did not receive any compensation during 2024.

3. CASH AND INVESTMENTS

Deposits:

Custodial credit risk is the risk that in the event of a financial institution failure, VBR's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. VBR had no custodial credit risk as of December 31, 2024.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

Investments:

The \$8,850,693 in investments, which are committed by the Board, is invested in LAMP. LAMP is considered to be an external investment pool 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.

The following facts are relevant for LAMP:

- **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.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (continued)

Investments: (continued)

- 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 disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 70 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 29 days as of December 31, 2024.
- Foreign currency risk: Not applicable.

LAMP values its investments at fair value based on quoted market values. 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 value of the pool shares which approximates net asset value (NAV).

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

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

4. CAPITAL ASSETS

	2024			
	Beginning Balance	Additions	Deletions	Ending Balance
Equipment, software, and automobile	\$ 455,754	\$ 22,718	\$ -	\$ 478,472
Building	1,470,290	-	-	1,470,290
Land	623,786	-	-	623,786
Construction in progress	-	89,052	-	89,052
	<u>\$ 2,549,830</u>	<u>111,770</u>	<u>-</u>	<u>\$ 2,661,600</u>
Less: Accumulated Depreciation	<u>\$ 882,511</u>	<u>60,350</u>	<u>-</u>	<u>\$ 942,861</u>
Net Capital Assets	<u>\$ 1,667,319</u>			<u>\$ 1,718,739</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

5. COMMITTED FUND BALANCE

The board has committed \$8,850,693 of fund balance for special projects, operations, OPEB L/T retirement and building repairs. Separate accounts have been established to hold assets earmarked for these committed purposes. A summary of these accounts is as follows:

	2024			
	Beginning Balance	Additions	Deletions	Ending Balance
LAMP – Special Project Account	\$ 2,831,208	\$ 792,403	\$ -	\$ 3,623,611
LAMP – Contingency Fund	2,677,264	139,052	(71,324)	2,744,992
LAMP – OPEB L/T Retirement	162,060	8,596	-	170,656
LAMP – Building Improvements	1,752,102	608,107	(48,775)	2,311,434
	<u>\$ 7,422,634</u>	<u>\$ 1,548,158</u>	<u>\$ (120,099)</u>	<u>\$ 8,850,693</u>

6. RETIREMENT PLAN

VBR offers its employees participation in a 457 deferred compensation retirement plan for health care and insurance benefits for its retirees. The contribution percentage was 10% of each eligible employee's salary, effective September 1, 2021. In order to be eligible under the 457 Deferred Compensation Retirement Plan, the employee must have completed 40 hours of service and 60 day probationary period. Employees are 100% vested at the time of eligibility. VBR contributed \$163,623 for the year ended December 31, 2024. Effective January 1, 2013, part-time employees were no longer covered under the Plan.

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan description – Visit Baton Rouge provides certain continuing health care and insurance benefits for its retirees. Visit Baton Rouge's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by Visit Baton Rouge (VBR). Current employees are eligible for these plan benefits if they retire as members of the VBR sponsored retirement plan. VBR's board has the authority to establish and/or amend the obligation of the employer, employees and retirees as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in paragraph 4 of *Governmental Accounting Standards Board (GASB) Statement No. 75*.

Benefits Provided – Medical benefits to retirees are provided through an insured program. The plan provisions are contained in the official plan documents. The retirement eligibility provisions are attainment of age 60 and completion of 15 years of service. Effective fiscal year ended December 31, 2021, benefit costs are capped at \$800 a month.

Employees covered by benefit terms – The December 31, 2024 total OPEB liability was determined using the January 1, 2022 (valuation date) actuarial valuation that included the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>13</u>
	<u>15</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Total OPEB Liability

VBR's total OPEB liability of \$746,098, of which approximately \$12,000 is due in 2025, was measured as of December 31, 2024 and was determined by an actuarial valuation as of the valuation date.

Actuarial Assumptions and other inputs – The total OPEB liability as of December 31, 2024 was based on the valuation date using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%										
Salary increases	3.0%, including inflation										
Discount rate	3.26% annually (Beginning of Year to Determine ADC) 4.08%, annually (As of End of Year Measurement Date)										
Healthcare cost trend rates	5% annually to a maximum of \$800 per month										
Turnover	Age specific table with an average of 10% when applied to the active census										
	<table><tr><th>Age</th><th>Rate of Turnover</th></tr><tr><td>15 to 25</td><td>20%</td></tr><tr><td>26 to 40</td><td>12%</td></tr><tr><td>41 to 54</td><td>8%</td></tr><tr><td>55 and over</td><td>6%</td></tr></table>	Age	Rate of Turnover	15 to 25	20%	26 to 40	12%	41 to 54	8%	55 and over	6%
Age	Rate of Turnover										
15 to 25	20%										
26 to 40	12%										
41 to 54	8%										
55 and over	6%										
Retirement age	Age 60 and attainment of 15 years of service										

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2024, the end of the applicable measurement period.

Mortality rates were based on the SOA RPH-2014 Combined Mortality Table.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2024.

Changes in the Total OPEB Liability

Balance at December 31, 2023	\$ 805,784
Changes for the year:	
Service cost	6,859
Interest	26,297
Changes in assumptions	(80,749)
Benefit payments	(12,093)
Net changes	(59,686)
Balance at December 31, 2024	\$ 746,098

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

7. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Entity, as well as what the Visit Baton Rouge's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	1.0% Decrease (3.08%)	Current Discount Rate (4.08%)	1.0% Increase (5.08%)
Total OPEB liability	<u>\$ 838,747</u>	<u>\$ 746,098</u>	<u>\$ 668,753</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

	1.0% Decrease	Current	1.0% Increase
Healthcare Trend	<u>\$ 718,741</u>	<u>\$ 746,098</u>	<u>\$ 767,011</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, Visit Baton Rouge recognized OPEB expense of \$61,941. At December 31, 2024, Visit Baton Rouge reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 9,206</u>	<u>\$ 47,626</u>
Changes in assumptions	<u>328,113</u>	<u>149,622</u>
Total	<u>\$ 337,319</u>	<u>\$ 197,248</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:

2025	\$ 28,785
2026	28,785
2027	28,783
2028	16,823
2029	32,970
Thereafter	<u>3,925</u>
	<u>\$ 140,071</u>

8. RECEIVABLES

General Fund Receivables as of December 31, 2024 consisted of the following:

Hotel-Motel Taxes Receivable	\$ 846,412
Other Receivables	<u>11,702</u>
	<u>\$ 858,114</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

9. CONTRACT PAYABLE

On September 21, 2007, VBR entered into an intergovernmental contract with the City of Baton Rouge, Louisiana to borrow \$1,000,000 for the purpose of providing funding for the improvement, renovation and equipping of the new headquarters of VBR. In 2008, VBR drew down \$750,000 of the \$1,000,000 available for this purpose. The amount borrowed is due in monthly payments amortized over the life of the contract, bearing interest at the Securities Industry and Financial Markets Association (SIFMA) rate plus 1.2%. The interest rate at December 31, 2024 was 5.30%. Principal repayments during 2024 were \$43,500. This contract ends December 21, 2029. The contract is secured by and payable from the lawful and available funds of VBR. The outstanding balance at December 31, 2024 was \$252,400.

The minimum debt service payments are scheduled to occur as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,900	\$ 12,263	\$ 59,163
2026	49,200	9,702	58,902
2027	49,800	7,090	56,890
2028	55,900	4,319	60,219
2029	50,600	1,318	51,918
	<u>\$ 252,400</u>	<u>\$ 34,692</u>	<u>\$ 287,092</u>

10. COMPENSATED ABSENCES

Compensated absences at December 31, 2024:

<u>2024</u>		
<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
<u>\$ 23,301</u>	<u>\$ 13,221</u>	<u>\$ 36,522</u>

11. REVENUE NOTE

On January 29, 2021, VBR signed a Revenue Note, Series 2021, in a total agreement principal amount not to exceed \$2,000,000 less any loan proceeds under the Paycheck Protection Program (PPP). As noted below, VBR received \$212,912 from PPP funds, therefore the maximum funds available for draw is \$1,787,088. The purpose of this note is for financing current and future operations and expenses in current and future fiscal years to ensure continuity of operations. The maximum total amount of draw available to VBR for year ending December 31, 2021 was less than or equal to \$500,000, year ending December 31, 2022 shall be less than or equal to \$1,500,000 and year ending December 31, 2023 shall be maximum loan amount minus total principal amount of PPP funds. If the interest only end date is extended the maximum total amount of VBR's draw is the Maximum Loan amount minus the total principal amount of PPP funds. The interest rate of the note is prime rate plus one half of one percent (0.50%) provided the interest rate is not less than 3.75% and shall never be greater than 6.00%. In November 2023, the note was amended to extend the interest only date to January 29, 2031. The maturity date for the financial scheduled payment was extended to January 29, 2031. The contract is secured by and payable from the Pledged revenues on the intergovernmental contract with the City of Baton Rouge as noted in Note 9. The interest rate as of December 31, 2024 was 6.00%. The total interest expense paid at December 31, 2024 was \$29,028.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

11. REVENUE NOTE (continued)

The following is a summary of the changes in the revenue note for the year ended December 31, 2024.

	2024			
	Beginning Balance	Additions	Deletions	Ending Balance
Revenue Note, Series 2021	\$ 483,787	\$ -	\$ -	\$ 483,787
	\$ 483,787	\$ -	\$ -	\$ 483,787

12. TOURISM REVIVAL FUND

On December 6, 2021, VBR was awarded a grant related to the Coronavirus State Fiscal Recovery Fund of the American Rescue Plan Act (ARP) allocated by the Louisiana Division of Administration (DOA) in the amount of \$3,683,257 for the Tourism Revival Program. Grantees of the Tourism Revival Program are considered beneficiaries and are not subject to the requirements placed on subrecipients in the Uniform Guidance, therefore an audit pursuant to the Single Audit Act is not required. The grant is for marketing and promoting Louisiana as a tourism destination for in-state and out-of-state travel activity. As of December 31, 2024, there were \$1,147,601 of funds recognized as revenue from the grant. As of December 31, 2024, expenses totaled \$1,076,601 in which approximately \$615,000 was used to market and promote visitor spending and \$461,000 was used to drive business travel, conventions, and general tourism. VBR submitted biannual reports to the Louisiana DOA no later than 15 days after the end of the quarter and the grant program has been completed.

13. COMMITMENTS

Effective January 1, 2022, VBR entered into an agreement for expenditures to equal up to \$1,500,000 per year with an advertising company to develop an advertising concept for the company to promote the city to target demographics. The agreement expires on December 31, 2026.

14. COOPERATIVE ENDEAVOR AGREEMENTS

Effective April 25, 2017 and June 30, 2017, VBR entered into cooperative endeavor agreements with certain Cities in East Baton Rouge Parish for hotel/motel room tax collections in order to support the City's economic development efforts relating to travel and tourism in the Cities and Parish. The agreements are for twenty-five (25) years commencing on the effective date. The terms of the agreements state that VBR will dedicate part of their room tax collections received from the City of Baton Rouge to surrounding areas of the Cities based on the monthly occupancy rate calculated by the City of Baton Rouge. VBR will pay to the Cities a sum equal to the revenue actually received by VBR from three percent (3%) (Out of a total four (4%)) of VBR's lodging tax levy attributable to taxable entities located within the corporate limits of the Cities. For the year ended December 31, 2024, VBR paid \$150,591 in city tax rebates to the participating Cities.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

15. TAX REVENUES ABATED

Tax abatements for VBR consist of those for hotel-motel occupancy taxes that were approved by the City of Baton Rouge – Parish of East Baton Rouge (City Parish). The City-Parish’s Metro-Council considers tax abatement agreements on an individual basis. These abatements are permissible in accordance with Louisiana Revised Statutes Chapter 27 of Title 33. These abatements are provided through the use of Tax Increment Financing (TIF) whereby separate legal entities (districts) are formed for the purpose of governing the use of tax revenue generated within the district. For the fiscal year ending December 31, 2024, there was approximately \$305,000 in tax abatements related to the use of TIFs.

16. PRIOR PERIOD ADJUSTMENT

VBR adopted GASB 101- *Compensated Absences* that was effective January 1, 2024. The impact on the net position of VBR as of December 31, 2024 is as follows:

Governmentwide (Governmental activities)

Net position as previously reported, December 31, 2023	\$ 11,537,347
Change in accounting principle	(23,301)
Net position, as restated, December 31, 2023	<u>\$ 11,514,046</u>

There was no impact to fund balance of VBR’s governmental funds.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the financial statements were available to be issued, April 24, 2024, and determined that the following disclosure is necessary.

On February 6, 2025, Visit Baton Rouge entered a cash sale for the property of 232 Lafayette Street Baton Rouge, Louisiana to be used as the new Visit Baton Rouge Headquarters and Visitor Center in the amount of \$850,000. Visit Baton Rouge has received approval from the Bond Commission to borrow up to \$7 million at an interest rate not to exceed 6 percent and a term less than 20 years. Management is still evaluating plans to renovate the new property.

REQUIRED SUPPLEMENTAL INFORMATION

VISIT BATON ROUGE
SCHEDULES OF FUNDING PROGRESS AND
EMPLOYER CONTRIBUTIONS FOR OTHER POST- EMPLOYEMENT BENEFIT PLAN
YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Measurement date	Service Cost	Interest	Difference between actual and expected experience	Changes of benefits	Changes of assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered- employee payroll	Total OPEB liability as a percentage of covered- employee payroll
12/31/24	12/31/24	\$ 6,859	\$ 26,297	\$ -	\$ -	\$ (80,749)	\$ (12,093)	\$ (59,686)	\$ 805,784	\$ 746,098	\$ 966,140	77.22%
12/31/23	12/31/23	6,613	22,298	(66,422)	-	255,922	(10,755)	207,656	598,128	805,784	938,000	85.90%
12/31/22	12/31/22	29,296	15,026	1,193	-	(156,817)	(5,351)	(116,653)	714,780	598,128	1,064,177	56.21%
12/31/21	12/31/21	17,337	10,699	(13,992)	176,661	31,775	(3,706)	218,774	496,006	714,780	1,033,182	69.18%
12/31/20	12/31/20	15,511	5,293	10,200	-	283,279	(3,706)	310,577	185,429	496,006	1,125,500	44.07%
12/31/19	12/31/19	3,342	6,043	3,550	-	26,717	(3,244)	36,408	149,021	185,429	1,142,024	16.24%
12/31/18	12/31/18	3,670	5,177	2,520	-	(11,248)	(3,209)	(3,090)	152,111	149,021	1,098,100	13.57%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the Required Supplementary Information.

Benefit Changes.

No changes during the year ended December 31, 2024.

The benefit change during year ended December 31, 2021 was that the benefit costs are assumed to increase due to trend however the costs are capped at \$800 per month.

Changes of Assumptions.

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used for in each measurement of total OPEB liability.

<u>Measurement Date</u>	<u>Discount Rate</u>
12/31/2024	4.08%
12/31/2023	3.26%
12/31/2022	3.72%
12/31/2021	2.06%
12/31/2020	2.12%
12/31/2019	2.74%
12/31/2018	4.10%
12/31/2017	3.44%

The mortality rate table used for valuation used for years 2017 through 2019 was RP-2000 Table without projection with 50%/50% unisex blend, SOA RP-2014 Table for fiscal years ended December 31, 2022, 2021, and 2020, then switched to SOA RPH-2014 Table used for fiscal years ended December 31, 2024 and 2023.

The healthcare trend increased to 6% for year ended December 31, 2023 where it was 5% for year ended December 31, 2020 whereas the trend was at 0% in previous years.

The retirement age assumption changed after fiscal year ended December 31, 2019 which was 50% assumed to retire at age 62 and 15 years of service and 50% are assumed to retire at age 65 and 15 years of service to the later of age 62 and 6 years of service for fiscal year December 31 2020. For fiscal years December 31, 2023 and after, the assumption changed to 100% at age 60 with 15 years of service.

VISIT BATON ROUGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Tax revenue	\$ 6,893,814	\$ 6,974,388	\$ 7,092,568	\$ 118,180
Interest income	522,000	522,000	518,875	(3,125)
Total revenues	<u>7,415,814</u>	<u>7,496,388</u>	<u>7,611,443</u>	<u>115,055</u>
<u>EXPENDITURES</u>				
Current: Tourism				
Salaries and commissions	1,967,150	1,867,150	1,813,651	53,499
Payroll taxes and benefits	694,395	663,395	602,057	61,338
Advertising and promotion	2,100,500	2,540,706	2,481,466	59,240
Trade shows and FAM/Site visits	395,205	382,052	180,810	201,242
Special promotions	1,152,425	1,143,157	1,073,090	70,067
Allocation of occupancy tax	170,000	170,000	150,591	19,409
General and administrative	1,240,112	1,274,882	1,076,596	198,286
Debt service:				
Interest expense	17,400	14,400	41,616	(27,216)
Principal retirement	43,600	43,600	43,600	-
Capital outlay	10,000	124,000	111,770	12,230
Total expenditures	<u>7,790,787</u>	<u>8,223,342</u>	<u>7,575,247</u>	<u>648,095</u>
<u>EXCESS OF REVENUES</u>				
<u>(UNDER) OVER EXPENDITURES</u>	<u>(374,973)</u>	<u>(726,954)</u>	<u>36,196</u>	<u>763,150</u>
<u>OTHER SOURCES (USES)</u>				
Operating transfers in	-	-	178,160	178,160
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>178,160</u>	<u>178,160</u>
<u>NET CHANGES IN FUND BALANCE</u>	<u>(374,973)</u>	<u>(726,954)</u>	<u>214,356</u>	<u>941,310</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>11,370,207</u>	<u>11,539,821</u>	<u>11,128,367</u>	<u>(411,454)</u>
End of year	<u>\$ 10,995,234</u>	<u>\$ 10,812,867</u>	<u>\$ 11,342,723</u>	<u>\$ 529,856</u>

VISIT BATON ROUGE
BUDGETARY COMPARISON SCHEDULE
TOURISM REVIVAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Tax revenue	\$ 3,154,870	\$ 1,165,601	\$ 1,147,601	\$ (18,000)
Interest income	15,000	15,000	29,533	14,533
Total revenues	<u>3,169,870</u>	<u>1,180,601</u>	<u>1,177,134</u>	<u>(3,467)</u>
<u>EXPENDITURES</u>				
Current: Tourism				
Advertising and promotion	<u>3,154,870</u>	<u>1,165,601</u>	<u>1,076,601</u>	<u>89,000</u>
Total expenditures	<u>3,154,870</u>	<u>1,165,601</u>	<u>1,076,601</u>	<u>89,000</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>15,000</u>	<u>15,000</u>	<u>100,533</u>	<u>85,533</u>
<u>OTHER SOURCES (USES)</u>				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(178,160)</u>	<u>(178,160)</u>
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>(178,160)</u>	<u>(178,160)</u>
<u>NET CHANGES IN FUND BALANCE</u>	<u>15,000</u>	<u>15,000</u>	<u>(77,627)</u>	<u>(92,627)</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>77,627</u>	<u>77,627</u>	<u>77,627</u>	<u>-</u>
End of year	<u>\$ 92,627</u>	<u>\$ 92,627</u>	<u>\$ -</u>	<u>\$ (92,627)</u>

VISIT BATON ROUGE
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2024

Agency Head Name Jill Kidder

<u>Purpose</u>	<u>Amount</u>
Salary, including incentive and bonus	\$ 205,005
Benefits-insurance	30,399
Defined contribution retirement plan	25,501
Car allowance	18,000
Cell phone	1,800
Dues	7,758
Registration fees	6,011
Conference travel	10,591
Special meals	5,367
Other	1,327
Total	<u>\$ 311,759</u>

**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 Directors
Visit Baton Rouge
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Visit Baton Rouge (VBR) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise VBR's basic financial statements, and have issued our report thereon dated April 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered VBR'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 VBR's internal control. Accordingly, we do not express an opinion on the effectiveness of VBR'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether VBR'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 matter 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 VBR'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.

A stylized, handwritten-style signature of "EisnerAmper LLP" in black ink.

EISNERAMPER LLP
Baton Rouge, Louisiana
April 24, 2025



VISIT BATON ROUGE

SCHEDULE OF FINDINGS/PRIOR YEAR SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

Current Year Schedule of Findings

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiencies identified that are
not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial
statements noted? ☐ yes ☒ no

B. Findings – Financial Statement Audit

None.

Prior Year Schedule of Findings

A. Findings – Financial Statement Audit

- None in the prior year.