LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

FINANCIAL REPORT

December 31, 2025 and 2024

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

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Faulk&Winkler

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana Charter Boat Association, Inc.
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **LOUISIANA CHARTER BOAT ASSOCIATION, INC.** (a nonprofit organization) (the Association), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association, as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Louisiana Governmental Audit Guide*, 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 the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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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 Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the *Louisiana Governmental Audit Guide,* 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 GAAS, the *Louisiana Governmental Audit Guide,* and *Government Auditing Standards*, we:

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 16 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 agency head is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and funding agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control over financial reporting and compliance.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 399,547	$ 428,606
Investments	604,205	107,159
Due from State of Louisiana	175,975	15,164
Sponsorship receivable	13,000	3,000
Total current assets	1,192,727	553,929
PROPERTY AND EQUIPMENT, net	421	1,054
Total assets	$ 1,193,148	$ 554,983

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 10,338	$ 10,000
Accrued expenses	2,327	2,094
Unearned state funding assistance	-	36,123
Total liabilities	12,665	48,217
NET ASSETS		
Without donor restrictions	1,180,483	506,766
Total liabilities and net assets	$ 1,193,148	$ 554,983

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2025 and 2024

	2025	2024
REVENUES AND SUPPORT - WITHOUT DONOR RESTRICTIONS		
State funding assistance	$ 1,336,129	$ 822,794
Sponsorships and other	167,000	132,377
Investment return, net	14,680	5,532
Total revenues and support	1,517,809	960,703
EXPENSES		
Program	704,225	810,143
Management and general	139,867	150,175
Total expenses	844,092	960,318
Change in net assets	673,717	385
NET ASSETS - WITHOUT DONOR RESTRICTIONS		
Beginning of year	506,766	506,381
End of year	$ 1,180,483	$ 506,766

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

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 673,717	$ 385
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized (gains) losses	(3,188)	2,586
Depreciation	633	633
Change in operating assets and liabilities		
Due from State of Louisiana	(160,811)	377,946
Sponsorship receivable	(10,000)	(3,000)
Accounts payable	338	(20,908)
Unearned state funding assistance	(36,123)	36,123
Accrued expenses	233	834
Net cash provided by operating activities	464,799	394,599
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(590,858)	(8,083)
Sales of investments	97,000	4,142
Net cash used in investing activities	(493,858)	(3,941)
(Decrease) increase in cash	(29,059)	390,658
CASH AND CASH EQUIVALENTS		
Beginning of year	428,606	37,948
End of year	$ 399,547	$ 428,606

The accompanying notes to the financial statements are an integral part of this statement

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31, 2025 and 2024

	2025		
	Program	Management and General	Total
Promotional and advertising	$ 351,027	$ -	$ 351,027
Legal and professional	271,722	65,346	337,068
Salaries, payroll taxes, and benefits	56,049	45,859	101,908
Travel	9,286	11,349	20,635
Office supplies	-	6,018	6,018
Meals and entertainment	2,008	2,454	4,462
Meetings	-	4,205	4,205
Sponsorships	13,500	-	13,500
Insurance	-	3,351	3,351
Dues and subscriptions	-	1,220	1,220
Depreciation	633	-	633
Bank fees and other	-	65	65
Total expenses	$ 704,225	$ 139,867	$ 844,092

	2024		
	Program	Management and General	Total
Promotional and advertising	$ 429,959	$ -	$ 429,959
Legal and professional	279,313	69,828	349,141
Salaries, payroll taxes, and benefits	61,572	50,378	111,950
Sponsorships	24,650	-	24,650
Travel	10,785	13,181	23,966
Meals and entertainment	3,217	3,931	7,148
Meetings	-	6,127	6,127
Office supplies	-	4,663	4,663
Dues and subscriptions	-	964	964
Insurance	-	756	756
Depreciation	633	-	633
Bank fees and other	-	361	361
Total expenses	$ 810,129	$ 150,189	$ 960,318

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

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

The Louisiana Charter Boat Association, Inc. (the Association), founded in 1994, is a 501(c)(6) non-profit member organization of Charter Boat Captains with the goal of promoting high standards of professionalism among professional fishing guides and charter boat operators in the State of Louisiana. The mission of the Association is to encourage and increase business for licensed professional fishing guides and charter boat operators, to create a unified body of representation that will allow a spoken voice to be heard in the Louisiana Legislature, Louisiana Wildlife and Fisheries, the United States Congress and other agencies, to strive for conservation of Louisiana's valued coastal marine resources, and to encourage licensing of all fishing guides and charter boat captains.

Basis of presentation

The accounting and reporting policies of the Association conform to generally accepted accounting principles.

Financial position and activities are to be reported according to two classes of net assets: with donor restrictions and without donor restrictions.

- *Net Assets Without Donor Restriction* - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

- *Net Assets With Donor Restriction* - Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions are satisfied in the reporting period in which the contribution is recognized. The Association does not have any net assets with donor restrictions as of December 31, 2025 and 2024.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Estimates are used primarily when accounting for valuation of investments, valuation of allowance for credit losses, depreciation, and the allocation of expenses by function.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid debt instruments, including money markets and certificates of deposits available for current use, with an initial maturity of three months or less, to be cash equivalents. There were no cash equivalents as of December 31, 2025 and 2024.

Investment valuation and income recognition

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 – Inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

The Association has provided fair value disclosure information for relevant assets and liabilities in the financial statements. For applicable assets (liabilities) subject to this pronouncement, the Association will value such assets (liabilities) using quoted market prices in active markets for identical assets (liabilities) to the extent possible (Level 1). To the extent that such market prices are not available, the Association will next attempt to value such assets (liabilities) using observable measurement criteria, including quoted market prices of similar assets (liabilities) in active and inactive markets and other corroborated factors (Level 2). In the event that these inputs are not available, the Association will use cost basis, which is considered the best information available (Level 3).

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition (Continued)

Investments have been recorded at market value, with the amount of unrealized gain or loss recorded in the statements of activities. However, if readily determinable fair values are not available, cost basis is used. Investment income includes dividends and interest earnings on investments, the net gains and/or loss from trade of investments, and the unrealized gain or loss resulting from market value adjustments to investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

The Association invests in certificates of deposit through a financial institution, which generally have original maturities ranging from six months to one year, and are reported at cost, which approximates fair value. Interest income on certificates of deposit is accrued at each month end.

Revenue recognition and support

The Association reports support when earned as increases in net assets with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. See Note 4 for further information on recording revenue and support.

The Association records support revenue as in the period funding is earned. Support received in advance that relate to future periods are recorded as unearned state funding assistance and recognized as revenue upon the passage of time. Donated materials and equipment are recorded as contributions at their estimated fair value at date of receipt.

The Association receives sponsorship revenue from corporations and other entities in support of its programs and events. Revenue is recognized as the Association satisfies performance obligations under its sponsorship agreements, in an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. The amount and timing of revenue recognition varies based on the nature of the goods provided and the terms and conditions of the member or customer contract.

Sponsorship agreements vary in scope and duration and may include the right for sponsors to receive recognition in promotional materials, event signage, digital communications, and other advertising benefits. Sponsorship agreements that include more than a nominal benefit to the sponsor (e.g., advertising) are considered exchange transactions. In these cases, the Association recognizes revenue as performance obligations are satisfied. Performance obligations typically include displaying the sponsor's logo, mentioning the sponsor in public communications, and other agreed-upon forms of acknowledgment. Revenue from sponsorships that provide a commensurate benefit to the sponsor is recognized over the period in which the benefits are provided. If a sponsorship payment is received in advance of the event or delivery of benefits, it is recorded as unearned revenue (contract liability) until the performance obligations are satisfied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment purchased by the Association with an estimated useful life greater than one year is recorded at cost and depreciated using the straight-line method over an estimated useful life of three years.

Functional allocation of expenses

The costs of providing the various programs and activities have been allocated among the program services and management and general services benefited and are summarized on a functional basis in the statement of activities. These allocations are based on estimates determined by management based on time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income taxes

The Association is a nonprofit organization that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

The Association follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes.* The Association's open audit periods are 2023 through 2025.

Receivables and allowance for credit losses

The Association's receivables are primarily derived from the State of Louisiana Department of Wildlife and Fisheries support and sponsorships. At each statement of financial position date, the Association accesses an estimate of an expected allowance for credit losses. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. There were no credit losses recorded as of December 31, 2025 and 2024.

Advertising

The Association follows the policy of charging the costs of advertising to expense as incurred. Promotional and advertising expense was $361,027 and $429,959 for the years ended December 31, 2025 and 2024, respectively.

Leases

The Association follows the requirements of FASB ASU No. 2016-02, *Leases* (Topic 842) ("ASU 2016-02"). For all leases with terms greater than 12 months, the guidance requires lessees to recognize right-of-use assets and corresponding lease liabilities on the statements of financial position and to disclose qualitative and quantitative information about lease transactions. The standard maintains a distinction between finance leases and operating leases.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Association determines if an arrangement contains a lease at inception. Leases are then classified as either operating or finance leases depending on the characteristics of the lease. Right-of-use (ROU) assets represent the Association's right to control the use of a specified asset for the lease term, and lease liabilities represent the Association's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments; the Association uses the risk-free discount rate when the discount rate is not implicit in the lease.

The lease term is the non-cancellable period of the lease, including any options to extend, purchase, or terminate the lease depending on whether the Association is reasonably certain to exercise those options.

The costs associated with operating leases are recognized on a straight-line basis over the period of the leases. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the estimated useful lives or the lease terms, and interest expense incurred over the period of the lease. If the lease transfers ownership to the Association or the Association is reasonably certain to exercise the option to purchase the underlying asset, the ROU asset is amortized to the end of the useful life of the underlying asset. Assumptions made by the Association at the commencement date are re-evaluated upon occurrence of certain events, including lease modifications when that modification is not accounted for as a separate contract.

The Association does not recognize ROU assets and lease liabilities on short-term leases but recognizes lease expense for these leases on a straight-line basis over the lease terms and any variable lease payments in the period in which the obligation for those payments are incurred.

The Association had no ROU assets or lease liabilities related to leases at December 31, 2025 and 2024.

Subsequent events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 29, 2026, which is the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

Investments at December 31, 2025 and 2024 consist of certificates of deposit and mutual funds. All investments are measured at fair value and are classified within Level 1 of the fair value hierarchy as of December 31, 2025 and 2024.

NOTE 2 - INVESTMENTS (CONTINUED)

The components of investment return for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Interest on cash deposits	$ 6,633	$ 3,851
Dividend income	4,859	4,267
Unrealized gain (loss), net	3,188	(2,586)
Total investment return, net	$ 14,680	$ 5,532

The following table presents the cost and fair value of investments as of December 31, 2025 and 2024, which were considered Level 1 investments in the fair value hierarchy:

	2025		2024	
	Cost	Market	Cost	Market
Certificates of deposit	$ 489,000	$ 489,258	$ -	$ -
Mutual funds	103,581	114,947	98,723	107,159
Total investments	$ 592,581	$ 604,205	$ 98,723	$ 107,159

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2025 and 2024 is as follows:

	2025	2024
Machinery and equipment	$ 1,898	$ 3,898
Website	61,875	61,875
Total property and equipment, gross	63,773	65,773
Less: accumulated depreciation	(63,352)	(64,719)
Total property and equipment, net	$ 421	$ 1,054

Depreciation expense was $633 for the years ended December 31, 2025 and 2024, respectively.

NOTE 4 - PROGRAM AND OTHER SUPPORT

LA Act 654 - Legislation passed in House Bill No. 498 of the 2010 Louisiana Legislative Session amended and reenacted Section 1. R.S. 56:302.9(G) to allocate 10% of fees collected each year from the sale of fishing boat fishing guide licenses to be used for promotion of the charter industry, protection of the fishery, and to provide for administrative cost of the Conservation Fund and stipulates that the fees are to be expended for the stated purposes through the Louisiana Charter Boat Association. Support received from the Conservation Fund in accordance with LA Act 654 for the years ended December 31, 2025 and 2024 were $22,205 and $44,252, respectively.

NOTE 4 - PROGRAM AND OTHER SUPPORT (CONTINUED)

LA Act 40 - Legislation passed in House Bill No. 378 of the 2013 Louisiana Legislative Session assesses an additional $500 fee for each non-resident charter boat fishing guide license issued and an additional $5 dollar fee for persons fishing with a licensed charter guide. The Legislation states that the funds shall be deposited to the State's Conservation Fund and used for promotion of the charter boat industry, protection of the fishery, and to provide for administrative cost of the fund and stipulates that the fees are to be expended for the stated purposes through the Louisiana Charter Boat Association. Support received from the Conservation Fund in accordance with LA Act 40 for the year ended December 31, 2025 and 2024 were $357,481 and $728,542, respectively.

LA Act 153 - Legislation passed in House Bill No. 543 of the 2024 Louisiana Legislative Session amended and reenacted provisions of Title 56 and created a Charter Boat Fishing Escrow Account within the Conservation Fund to receive charter promotion fees. The Act provides for an additional charter promotion fee, including (i) a $500 fee on nonresident charter boat fishing guide licenses and (ii) a $7.50 fee on certain charter fishing licenses, with such funds to be used for promotion of the charter boat industry, protection of the fishery, and administrative costs of the fund. The Act specifies such funds are to be expended for the stated purposes through the Louisiana Charter Boat Association. Support received in accordance with LA Act 153 for the year ended December 31, 2025 was $956,443. No such support was received in 2024.

In 2024, the Association received $50,000 funding assistance from the Louisiana Office of Tourism to enhance its advertising platforms. No state funding of this nature was received in 2025.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Association receives support from the State. Some of these activities are subject to audit by the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes the liability, if any, for any reimbursement, which may arise as a result or audits, would not be material.

Appropriations require the fulfillment of certain conditions. Failure to fulfill these conditions could result in the return of funds to the State; however, the Association considers this contingency remote.

Contributions are received from both public and private sectors, and changes in the level of such support could adversely affect the Association's ability to continue providing services.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK AND ECONOMIC DEPENDENCY

The Association maintains cash balances at a financial institution. At times, these balances may exceed federally insured limits. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. At December 31, 2025, the Association was exposed to custodial credit risk in the amount of $149,547 for cash deposits in excess of FDIC insurance coverage. The Association was not exposed to custodial credit risk at December 31, 2024.

The Association depends on the public to provide appropriations and contributions to enable the Association to continue its activities. Approximately 85% of the Association's support for the years ended December 31, 2025 and 2024 was received from the State agencies. Program details are discussed at Note 4.

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's financial assets available within one year of the balance sheet date are as follows:

	2025	2024
Cash	$ 399,547	$ 428,606
Investments	604,205	107,159
Due from State	175,975	15,164
Sponsorship receivable	13,000	3,000
Total	$ 1,192,727	$ 553,929

As part of the Association's liquidity management, the Association maintains sufficient cash funds throughout the year from state funds providing financial support for its operations.

The Association does not have any amounts with contractual or donor-imposed restrictions within one year of the balance sheet date at December 31, 2025 and 2024.

SUPPLEMENTARY INFORMATION

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

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

For the year ended December 31, 2025

Agency Head: Richard Fischer, Executive Director

Purpose	Amount
Salary	$ 89,344
Retirement	4,600
Mileage reimbursements	5,793
Telephone reimbursements	1,266
Total	$ 101,003

Faulk&Winkler

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*

To the Board of Directors of
Louisiana Charter Boat Association, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide,* 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 **LOUISIANA CHARTER BOAT ASSOCIATION, INC.** (a nonprofit organization) (the Association), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001, 2025-002, and 2025-003 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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*.

The Association's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the year ended December 31, 2025

1) Summary of Auditors' Results:

A) The type of report issued on the financial statements: **Unmodified opinion.**

B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **None reported.**

Material weaknesses: **2025-001, 2025-002, and 2025-003.**

C) Noncompliance that is material to the financial statements: **None.**

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **2025-001, 2025-002, and 2025-003.**

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

SUMMARY OF FINDINGS AND RESPONSES
For the year ended December 31, 2025

3) FINDINGS - FINANCIAL STATEMENTS

2025-001 – Written Policies and Procedures

Fiscal Year Finding Originated: 2023

Condition: The Association does not have a set of written policies and procedures. While the Association does maintain an employee handbook with personnel-related policies, the Association does not have written policies and procedures in place as it relates to its current financial processes and accounting practices. While internal control accounting practices are carried out daily, there is no formal written documentation of these policies and procedures, including segregation of duties considerations.

Criteria: The Association should have written processes and procedures over the financial reporting and accounting practices, where internal controls are documented and established such that management and employees, in the normal course of their assigned functions, can prevent or detect and correct misstatements on a timely basis.

Cause: The Association has not adopted written accounting policies and procedures related to financial reporting and accounting practices.

Effect: Without written policies and procedures related to financial reporting and accounting practices, the Association is at an increased risk for misstatements within the financial statements. The lack of documented and effective safeguards can cause potential misstatements to remain unidentified and cause the financial statements to be misleading.

Recommendation: The Association should create and adopt a set of written comprehensive policies and procedures that covers the significant areas of accounting and financial practice, including segregation of duties considerations. This will ensure that financial policies are conducted consistently and in accordance with the expectations set by management and board governance.

Additionally, the Association should ensure the written comprehensive policies and procedures addresses human resource functions, which should include, personnel action forms documenting authorized pay rates for employees, approval of employee attendance and leave when applicable, and cumulative leave balances.

Views of responsible officials: Management agrees with the recommendation and will continue to collaborate with board governance to finalize a set of written comprehensive accounting policies and procedures to assist the Association in appropriate financial reporting.

3) FINDINGS - FINANCIAL STATEMENTS (CONTINUED)

2025-002 – Segregation of Duties

Fiscal Year Finding Originated: 2023

Condition: The Association's financial reporting process should be segregated between different individuals to ensure effective internal controls over financial reporting.

Criteria: The Association has lacks segregation of duties amongst individuals who are approving disbursements and issuing disbursements.

Cause: The Association's only employee is the Executive Director. He is responsible for receiving and depositing all cash collections as well as processing and approving his own payroll.

Effect: The Association does not have adequate internal controls over financial reporting.

Recommendation: To the extent possible, we recommend that management continue to delegate responsibilities to board members to enhance internal control through segregation of duties. Additionally, we recommend that board members continue to be involved in the financial review process to the extent economically feasible, including review of bank reconciliations and payroll disbursements.

Views of responsible officials: Management concurs with the recommendation and has implemented the review of the monthly statements by the Treasurer and during its regularly scheduled quarterly board meetings during 2025.

3) FINDINGS - FINANCIAL STATEMENTS (CONTINUED)

2025-003 – Financial Practices and Accounting Support

Fiscal Year Finding Originated: 2025

Condition: The Association does not maintain an effective financial reporting process, including the timely preparation and review of bank reconciliation and procedures to ensure revenue and related receivables are accurately recorded. The Association has two primary revenue streams, state funding and sponsorships, and while these activities are tracked for operational purposes, revenue is not consistently recorded as earned. Additionally, sufficient ongoing accounting support was not in place to ensure these functions were consistently performed.

Criteria: The Association should maintain a financial reporting and close process that includes timely bank reconciliations and procedures to ensure revenue and receivables are properly recorded, tracked, and supported in accordance with accounting principles generally accepted in the United States (GAAP). These processes should allow for timely identification and correction of errors.

Cause: The Association has not established a consistent financial close process or assigned adequate accounting resources to perform and review key areas, including cash reconciliations and revenue recognition.

Effect: Material misstatements related to revenue and accounts receivable were identified and corrected through audit adjustments. Additionally, the lack of timely bank reconciliations and financial reporting procedures increases the risk that errors or misstatements may not be identified and corrected on a timely basis.

Recommendation: The Association should implement a recurring financial reporting and close process that includes timely preparation and review of bank reconciliations and procedures to ensure revenue and receivables are recorded in accordance with GAAP. Additionally, the Association should establish a process to ensure revenue from state funding and sponsorships is recognized as earned, including recording related receivables and deferred revenue, when applicable. Management should also consider hiring or engaging an individual to provide monthly ongoing accounting support to assist in maintaining accurate financial records and timely financial reporting throughout the year.

Views of responsible officials: Management concurs with the recommendation and acknowledges the need to improve financial reporting process to ensure revenue from state funding and sponsorships is recorded in accordance with GAAP. Management plans to enhance its close process as economically feasible.

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES
For the year ended December 31, 2025

2024-001 – Written Policies and Procedures

This matter has been reclassified as finding **2025-001**.

2024-002 – Segregation of Duties

This matter has been reclassified as finding **2025-002.**

Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures

LOUISIANA CHARTER BOAT ASSOCIATION, INC.

Baton Rouge, Louisiana

For the fiscal period January 1, 2025 through December 31, 2025

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Louisiana
Charter Boat Association, Inc. and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by **LOUISIANA CHARTER BOAT ASSOCIATION, INC.** (the Association) and the Louisiana Legislative Auditor (the LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Association's management is responsible for those C/C areas identified in the SAUPs.

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

1) Written Policies and Procedures

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

i. ***Budgeting,*** including preparing, adopting, monitoring, and amending the budget.

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

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

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

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

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

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

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

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

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

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

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

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

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

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

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

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

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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

4) 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 5 deposit sites (or all deposit sites if less than 5).

Only one deposit site was selected because it was the Association's sole deposit site.

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

Only one collection location was selected, as only one deposit site was selected under Procedure 4A.

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

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:

iii. Each employee responsible for collecting cash is not also 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; and

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

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

Only two deposit dates were tested, as the Association has only one bank account.

i. Observe that receipts are sequentially pre-numbered.

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

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

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).

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

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Only one location was selected, as the Association has only one location that processes payments.

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

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

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

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

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

Only five disbursements were selected as the Association has only one location that processes payments.

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e g , initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note. If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

6) *Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)*

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

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

Only one monthly bank statement was selected, as the Association has only one debit card.

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection) For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only) For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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

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

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa la.gov/doa/ost/ppm-49-travel-guide/) or the U S. General Services Administration (www.gsa.gov);

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii), and

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

8) Contracts

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

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

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

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly select one pay period during the fiscal period For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

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

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

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

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

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

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

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

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

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

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

13) Information Technology Disaster Recovery/Business Continuity

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

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

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

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

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

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

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

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

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

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

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

v. Amount of time it took to resolve each complaint

LOUISIANA CHARTER BOAT ASSOCIATION, INC.
Baton Rouge, Louisiana

SCHEDULE OF ASSOCIATED FINDINGS

For the fiscal period January 1, 2025 through December 31, 2025

Associated findings:

No associated findings were found as a result of applying the procedures listed above, except as follows:

1) *Written Policies and Procedures:*

A The Association does not have written policies and procedures in place to address the following: Budgeting, Purchasing, Disbursements, Receipts/Collections, Payroll/Personnel, Contracting, Credit Cards, and Travel.

3) *Bank Reconciliations:*

A (i) (ii) (iii) The Association does not perform bank reconciliations.

4) *Collections:*

B (ii) The Association does not have proper segregation of duties that prevent the employee from collecting cash and preparing/making bank deposits.

C The Association does not have a bond or insurance policy for theft covering all employees who have access to cash.

D (i) The Association does not have sequentially pre-numbered receipts.

D (ii) The Association does not have sequentially pre-numbered receipts or deposit slips.

5) *Non-Payroll Disbursements:*

B (i) The Association does not have proper segregation of duties that allow at least two employees to be involved in initiating a purchase request, approving a purchase, and making the purchase.

B (ii) The Association does not have proper segregation of duties that allow at least two employees to be involved in processing and approving payments to vendors.

B (iv) The Association does not have proper segregation of duties that prevent the employee signing and mailing checks from processing payments.

C (i) For one of the five disbursements tested, the Association did not have supporting documentation.

C (ii) For the five disbursements tested, the Association did not have supporting documentation of segregation of duties tested under procedure #5B.

6) *Credit Cards/Debit Cards/Fuel Cards/ Purchase Cards (Cards):*

C (i) Of the ten transactions tested, one transaction did not have an original itemized receipt that identified what was purchased.

C (ii) For the ten transactions tested, the Association does not have written documentation of the business/public purpose of purchases made.

C (iii) The Association does not have written documentation of the individuals participating in meals.

9) Payroll:

B (i) (ii) (iii) We were unable to observe selected employees documented daily attendance and leave, whether supervisors approved the attendance and leave, and whether any leave accrued to taken during the pay period is reflected in the Association's cumulative leave records.

12) *Fraud Notice:*

B The Association has not posted the notice on its website, has required by R.S. 24.523.1, concerning the reporting of misappropriation, fraud, waste, or abuse of public funds

The following procedures were not applicable to the Association: Ethics, Debt Service, Prevention of Sexual Harassment, and Information Technology Disaster Recovery/Business Continuity.

Management's Response:

Management of the Association concurs with the exceptions identified and are in the process of addressing these matters to the extent it's economically feasible.

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

We are required to be independent of the **LOUISIANA CHARTER BOAT ASSOCIATION, INC.** 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.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026