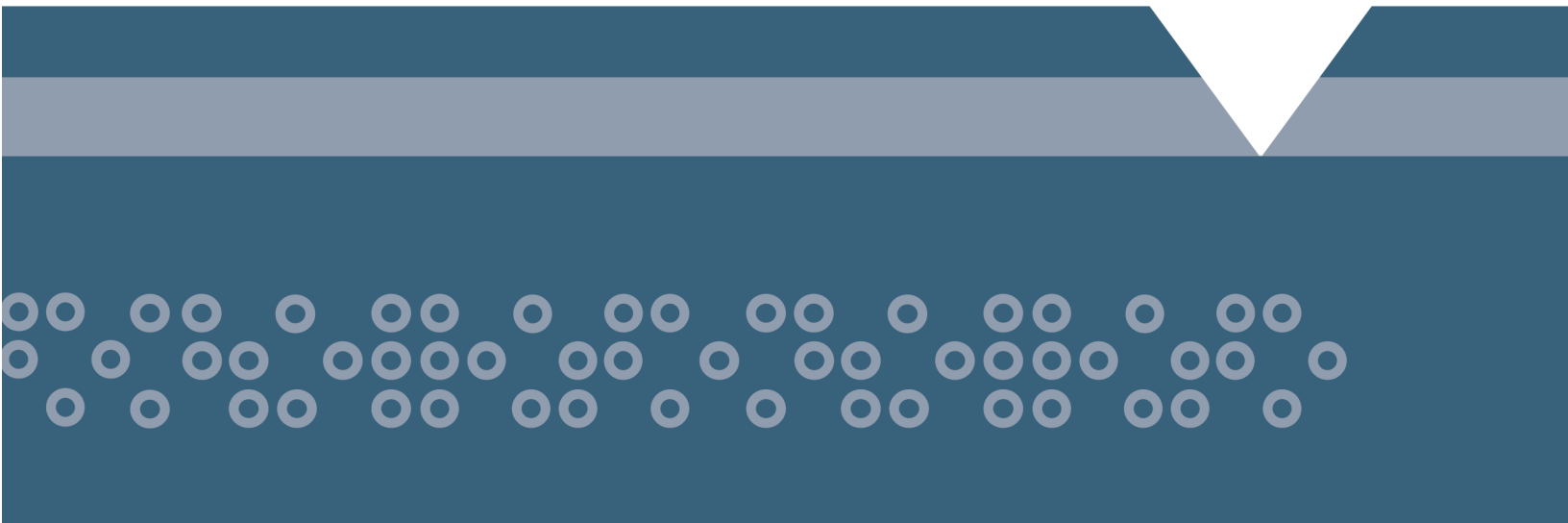


Ruston-Lincoln Convention and Visitors Bureau

Ruston, Louisiana

December 31, 2023



CERTIFIED PUBLIC
ACCOUNTANTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Ruston-Lincoln Convention and Visitors Bureau provides an overview of the Bureau's financial activities for the fiscal years ended December 31, 2023 and 2022. Please read it in conjunction with the Bureau's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the **Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments***.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Bureau as a whole. Fund financial statements start on page 6. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Bureau's operations in more detail than the government-wide statements by providing information about the Bureau's most significant funds. The accompanying financial statements present information only on the funds maintained by the Bureau.

Reporting the Funds Maintained by the Bureau as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the Bureau as a whole begins on page 4. The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Bureau as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the Bureau's *net position* and changes in them. The Bureau's net position—the difference between assets and liabilities—is one way to measure the Bureau's financial health, or *financial position*. Over time, *increases or decreases* in the Bureau's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the activities in the funds maintained by the Bureau as governmental and proprietary fund activities.

Governmental activities—expenses related to, and resources provided for, the solicitation and servicing of conventions and visitor activities.

Reporting the Most Significant Funds Maintained by the Bureau

Our analysis of the major funds maintained by the Bureau begins on page 6. The fund financial statements provide detailed information about the most significant funds maintained by the Bureau—not necessarily the Bureau as a whole. The Bureau's funds use the following accounting approaches.

Governmental fund—All of the Bureau's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Bureau's operations, and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bureau expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

THE FUNDS MAINTAINED BY THE BUREAU AS A WHOLE

The Bureau's total net position changed from a year ago, decreasing to \$2,916,380 from \$3,062,539. This decrease amounted to \$146,159, or 4.77% for the year ended December 31, 2023.

Table 1
Government-Wide Net Position

	Governmental Activities		
	2023	2022	Variance
Cash and cash equivalents	\$ 1,110,715	\$ 1,200,627	\$ (89,912)
Other assets	436,140	433,147	2,993
Capital assets, net	1,405,641	1,435,683	(30,042)
Total assets	\$ 2,952,496	\$ 3,069,457	\$ (116,961)
Current liabilities	\$ 36,116	\$ 6,918	\$ 29,198
Total liabilities	\$ 36,116	\$ 6,918	\$ 29,198
Net position:			
Unrestricted/undesignated	\$ 1,510,739	\$ 1,626,856	\$ (116,117)
Net investment in capital assets	1,405,641	1,435,683	(30,042)
Total net position	\$ 2,916,380	\$ 3,062,539	\$ (146,159)

Table 2
Government-Wide Changes in Net Position

	Governmental Activities		
	2023	2022	Variance
Revenues:			
Lodging tax	\$ 805,926	\$ 731,091	\$ 74,835
State revenue sharing	282,429	-	282,429
Interest	7,045	2,956	4,089
Other	128,165	423,081	(294,916)
Total revenues	1,223,565	1,157,128	66,437
Expenses:			
Economic development	1,369,724	1,097,376	272,348
Total expenses	1,369,724	1,097,376	272,348
Change in net position	\$ (146,159)	\$ 59,752	\$ (205,911)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CAPITAL ASSETS

At the end of 2023, the Bureau had invested \$1,405,641 in capital assets from those funds maintained by the Bureau.

Table 3
Capital Assets at Year End

	<u>2023</u>	<u>2022</u>
Land	\$ 414,576	\$ 414,576
Building	1,648,901	1,636,569
Furniture, fixtures, and equipment	<u>174,089</u>	<u>174,089</u>
	2,237,566	2,225,234
Less: accumulated depreciation	<u>(831,925)</u>	<u>(789,551)</u>
Net capital assets	<u><u>\$ 1,405,641</u></u>	<u><u>\$ 1,435,683</u></u>

FUTURE OPERATIONS

The Bureau derives the majority of its revenue from two main sources. At the local level, the Bureau receives revenue through the Lincoln Parish Police Jury on the Lodging Tax assessed and collected on hotel/motel revenue. On the state level, the Bureau receives revenue from the State of Louisiana as an allocation of the state sales tax allocated to Lincoln Parish. The Bureau does not expect any major fluctuations in these revenues in the succeeding year. There were no material capital asset acquisitions in 2023 and 2022.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Bureau and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ruston-Lincoln Convention and Visitors Bureau, 2111 North Trenton Street, Ruston, Louisiana 71270.

AUDITED FINANCIAL STATEMENTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Ruston-Lincoln Convention and Visitor's Bureau (the Bureau) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, including omissions, 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 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 Bureau's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and *Budgetary Comparison Schedule* on pages i through iii and pages 15 through 16, respectively, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bureau's basic financial statements. The information required in accordance with Louisiana Revised Statute 24:513(A)(3) on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information 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 February 24, 2025, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

February 24, 2025

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	Governmental Activities
	<hr/>
Assets:	
Cash and cash equivalents	\$ 1,110,715
Certificates of deposit	433,390
Accounts receivable	2,750
Capital assets, net of accumulated depreciation	<hr/> 1,405,641
Total assets	<hr/> <hr/> \$ 2,952,496
Liabilities and net position	
Liabilities:	
Accounts payable	\$ 32,522
Accrued payroll liabilities	3,594
Total liabilities	<hr/> 36,116
Net position:	
Unrestricted/undesignated	1,510,739
Net investment in capital asests	<hr/> 1,405,641
Total net position	<hr/> 2,916,380
Total liabilities and net position	<hr/> <hr/> \$ 2,952,496

The accompanying notes are an integral part of these financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
Functions:			
Economic development	\$ 1,369,724	\$ 128,165	\$ (1,241,559)
Total assets	<u>\$ 1,369,724</u>	<u>\$ 128,165</u>	<u>(1,241,559)</u>
 General Revenues:			
Lodging tax			805,926
Grants and contributions not restricted to specific programs			282,429
Interest income			<u>7,045</u>
Total general revenues			<u>1,095,400</u>
 Change in net position			(146,159)
 Net position—December 31, 2022			<u>3,062,539</u>
 Net position—December 31, 2023			<u>\$ 2,916,380</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	<u>General Fund</u>
Assets:	
Cash and cash equivalents	\$ 1,110,715
Certificates of deposit	433,390
Accounts receivable	<u>2,750</u>
Total assets	<u><u>\$ 1,546,855</u></u>
Liabilities and fund balance	
Liabilities:	
Accounts payable	\$ 32,522
Accrued payroll liabilities	<u>3,594</u>
Total liabilities	36,116
Fund balance:	
Unassigned	<u>1,510,739</u>
Total fund balance	<u><u>1,510,739</u></u>
Total liabilities and fund balance	<u><u>\$ 1,546,855</u></u>

The accompanying notes are an integral part of these financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total fund balance—governmental fund	\$ 1,510,739
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Ammounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds

<u>1,405,641</u>

Total net position—governmental activities

<u><u>\$ 2,916,380</u></u>

The accompanying notes are an integral part of these financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>
Revenues:	
Local sources:	
Occupancy tax	\$ 805,926
State sources:	
State grants	282,429
Interest income	7,045
Peach Festival income	101,434
Other revenues	26,731
Total revenues	<u>1,223,565</u>
Expenditures:	
Current:	
Economic development and assistance:	
Grants	427,647
Payroll	290,348
Advertising	261,844
Peach Festival expenses	89,185
Research	49,630
Repairs and maintenance	29,829
Telephone and connectivity	29,623
Hospitality and tourism awareness	16,712
Accounting and audit	15,900
Other	116,632
Capital outlay	12,332
Total expenditures	<u>1,339,682</u>
Net change in fund balance	(116,117)
Fund balance—December 31, 2022	<u>1,626,856</u>
Fund balance—December 31, 2023	<u><u>\$ 1,510,739</u></u>

The accompanying notes are an integral part of these financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
RECONCILIATION OF NET CHANGE IN FUND BALANCES-GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balance—governmental fund	\$ (116,117)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital asset purchases capitalized	12,332
Depreciation expense	<u>(42,374)</u>

Change in net position—governmental activities	<u><u>\$ (146,159)</u></u>
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The accompanying notes are an integral part of these financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Summary of Significant Accounting Policies

The Ruston-Lincoln Convention and Visitors Bureau (the Bureau) was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and nonprofit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June 1999, the GASB unanimously approved **Statement No. 34**, *“Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.”* Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Bureau has also adopted GASB **Statement No. 54**, *“Fund Balance Reporting and Governmental Fund Type Definitions”* and GASB **Statement No. 63**, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.”*

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements (GWFS)—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements—The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Bureau considers revenues to be available if they are collected within 60 days of the end of the fiscal year end.

Principal revenue sources considered susceptible to accrual include hotel and motel taxes levied by the Lincoln Parish Police Jury and state sales tax allocated to Lincoln Parish by the State of Louisiana. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau’s present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

A fund is considered major if it is the primary operating fund of the Bureau or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Fund Accounting

The financial activities of the Bureau are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Bureau uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The content and certain titles of the GWFS were changed upon the adoption by the Bureau of **GASB Statement No. 63**, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Bureau had no deferred outflows or inflows of resources at December 31, 2023.

Fund Equity in Fund Financial Statements

Governmental fund equity is classified as fund balance. The Bureau implemented **GASB Statement 54**, *"Fund Balance Reporting and Governmental Fund Type Definitions."* This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and net bond issue costs as being non-spendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

There were no restricted resources at year end for the Bureau.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Bureau's board of directors, which is the Bureau's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Bureau did not have any committed resources as of year-end.

- **Assigned:** This classification includes spendable amounts that are reported in governmental funds, other than the General Fund, that are neither restricted nor committed and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of **GASB Statement 54**. The intent of an assigned fund balance should be expressed by either the Bureau's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the administrator, that has the authority to assign amounts to be used for specific purposes. The Bureau did not have any assigned resources as of year-end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Bureau would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Governmental Funds

General Fund – This fund accounts for all activities of the Bureau not specifically required to be accounted for in other funds.

Use of Estimates

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

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is then adopted by the Board of Commissioners. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year.

Unexpended budget balances lapse at year end. The Bureau's Board of Directors has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board. The Board of Directors is nominated, elected, and approved by the existing Board members, and members terms vary in duration depending upon the Bureau's needs and Board of Directors willingness to serve.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Cash and Cash Equivalents

Cash includes demand deposits, money market accounts and certificates of deposit with maturity dates of three months or less from the end of the year. Under state law, the Bureau may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Bureau may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value—the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the banks as of that date.

Fund Equity in Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There was no restricted net position at December 31, 2022.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net invested in capital assets, net of related debt.”

Capital Assets

The Bureau has adopted the provisions of Governmental Accounting Standards Board Statement No. 34 as pertaining to capital assets and depreciation. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Bureau maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The purchase or acquisition of capital assets is recorded in the Statement of Net Position and Statement of Revenues, Expenditures, and Changes in Fund Balance. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Building	39 years
Furniture, fixtures, and equipment	5 - 7 years

2. Cash

At year end, the carrying amount (book amount) of the Bureau’s cash and cash equivalents was \$1,110,715. Such deposits are held in financial institutions insured by the FDIC, and management reviews the safety and soundness of such institutions in its efforts to mitigate credit risk.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Property and Equipment

Capital asset activity for the year ended December 31, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 414,576	\$ -	\$ -	\$ 414,576
Capital assets being depreciated:				
Buildings and improvements	1,636,569	12,332	-	1,648,901
Furniture, fixtures, and equipment	174,089	-	-	174,089
Less: accumulated depreciation	(789,551)	(42,374)	-	(831,925)
Total capital assets being depreciated, net	1,021,107	(30,042)	-	991,065
Total governmental activities capital assets, net	\$ 1,435,683	\$ (30,042)	\$ -	\$ 1,405,641

Depreciation expense for the year ended December 31, 2023, was \$42,374.

4. Litigation and Claims

The Lincoln Parish Convention and Visitors Bureau had no pending or threatened litigation as of December 31, 2023.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

BUDGETARY COMPARISON SCHEDULES

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
BUDGETARY COMPARISON SHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources:				
Occupancy tax	\$ 810,000	\$ 812,000	\$ 805,926	\$ (6,074)
State sources:				
State grants	-	295,435	282,429	(13,006)
Interest income	50	50	7,045	6,995
Peach Festival income	92,500	92,500	101,434	8,934
Other revenues	311,600	255,094	26,731	(228,363)
Total revenues	1,214,150	1,455,079	1,223,565	(231,514)
Expenditures:				
Current:				
Economic development and assistance:				
Grants	350,000	430,000	427,647	2,353
Payroll	327,000	290,000	290,348	(348)
Advertising	240,000	281,000	261,844	19,156
Peach Festival expenses	60,050	60,050	89,185	(29,135)
Research	15,000	53,000	49,630	3,370
Repairs and maintenance	35,000	40,000	29,829	10,171
Telephone and connectivity	30,000	30,000	29,623	377
Hospitality and tourism awareness	11,000	21,000	16,712	4,288
Accounting and audit	14,000	16,000	15,900	100
Other	29,600	97,500	116,632	(19,132)
Capital outlay	10,000	11,579	12,332	(753)
Total expenditures	1,121,650	1,330,129	1,339,682	(9,553)
Net change in fund balance	92,500	124,950	(116,117)	(221,961)
Fund balance—December 31, 2022	1,626,856	1,626,856	1,626,856	
Fund balance—December 31, 2023	\$ 1,719,356	\$ 1,751,806	\$ 1,510,739	

The accompanying notes to the budgetary comparison schedule are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2023

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and staff as part of the Bureau's annual planning and budgeting process. The budget is open to a public hearing on the proposed budget, and then after all actions necessary to finalize and implement the budget, the budget is adopted by the Board of Directors. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year, and the proposed budget is adopted prior to the beginning of each new fiscal year and was amended during the current fiscal period.

Unexpended budget balances lapse at year end. The Bureau's Board of Directors has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board and amendments to the budget follow the same procedures and process as the original budget.

The Bureau follows these above procedures in establishing the budgetary data which is reflected in the accompanying financial statements.

OTHER REPORTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

**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**

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 the major funds information of the Ruston-Lincoln Convention and Visitors Bureau (the Bureau) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements, and have issued our report thereon dated February 24, 2025.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ruston-Lincoln Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Audit Findings and Responses as item 2023-1.

Ruston-Lincoln Convention and Visitors Bureau's Response to Finding

Ruston-Lincoln Convention and Visitors Bureau's response to the finding identified in our audit is described in the accompanying schedule, Schedule of Audit Findings and Responses. The Bureau's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
February 24, 2025

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

We have audited the financial statements of the Ruston-Lincoln Convention and Tourist Bureau as of and for the year ended December 31, 2023, and have issued our report thereon dated February 24, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2023, resulted in an unmodified opinion.

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau.
2. No instances of noncompliance related to the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau was disclosed during the audit.
3. Ruston-Lincoln Convention and Visitors Bureau was not subject to a Federal Single Audit for the year ended December 31, 2023.

B. FINDINGS—FINANCIAL STATEMENT AUDIT

2023-1: Late Submission of Audit Report

Condition

Louisiana Revised Statute 24:513 requires that all local auditees submit their audited financial statements to the Louisiana Legislative Auditor (LLA) no later than six months after their fiscal year end.

Current Status

This issue is resolved.

C. FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS

Not applicable

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

None noted.

SUPPLEMENTARY INFORMATION

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH
LOUISIANA REVISED STATUTE 24:513(A)(3) (ACT 706 OF 2014)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head: Amanda Q. Carrier, Executive Director

Salary	\$	79,490
Benefits—health insurance		16,770
Benefits—life, accidental death and dismemberment, and dental		30,000
Automobile allowance		6,600
Mileage reimbursement		1,075
Travel, meals, and lodging		5,371
Registration fees, seminars, and meetings		4,690
401(k) retirement plan match		7,839



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

Amanda Carrier
Ruston-Lincoln Convention & Visitors Bureau
2111 North Trenton Street
Ruston, LA 71270

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Management of the Ruston-Lincoln Convention & Visitors Bureau (the Bureau) is responsible for those C/C areas identified in the SAUPs.

The Bureau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. 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:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

The entity has an adequate policy regarding budgeting.

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

Exception: The entity does not have adequate written policies over the purchasing process.

Management's Response: Management will establish written policies over purchasing as considered necessary.

- c) ***Disbursements***, including processing, reviewing, and approving.

The entity has an adequate policy regarding disbursements.

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

Exception: The entity does not have adequate written policies over the receipts/collections process.

Management's Response: Management will establish written policies over receipts/collections as considered necessary.

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

Exception: The entity has written procedures over payroll/personnel, but the procedures do not address payroll processing or reviewing and approving time and attendance records, including leave and overtime worked.

Management's Response: Management will review written policies over payroll/personnel and update as considered necessary.

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

Exception: The entity has written procedures over contracting, but the procedures do not address standard terms and conditions and legal review.

Management's Response: Management will review written policies over contracting and update as considered necessary.

- g) **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)

The entity has an adequate policy regarding credit cards.

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

The entity has an adequate policy regarding travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes 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.

Exception: The entity has written procedures over ethics, but the procedures do not address a system to monitor possible ethics violations or a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Management's Response: Management will review written ethics policies and update as considered necessary.

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

Not applicable to the Bureau does not have any debt.

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

Exception: The entity has written procedures over information technology disaster recovery/business continuity, but the procedures do not address the identification of critical data, the use of antivirus software on all systems, and the timely application of all available system and software patches/updates.

Management's Response: Management will review written information technology disaster recovery/business continuity policies and update as considered necessary.

- l) **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.

Exception: The entity has written procedures over the prevention of sexual harassment, but the procedures do not address annual employee training and annual reporting.

Management's Response: Management will review written information technology disaster recovery/business continuity policies and update as considered necessary.

Board or Finance Committee

2. 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:

- a) 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.

Exception: The board met with a quorum on a frequency in accordance with the entity's bylaws except for one meeting in July 2023 in which quorum was not met.

Management's Response: Management will review its policies for board meetings and quorum requirements and correct as considered necessary.

- b) For those entities reporting on the nonprofit 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.

The minutes referenced monthly financial statements that included activity relating to public funds.

- c) 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.

Not applicable; no audit findings were identified.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 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:

- a) 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);

Bank reconciliations were prepared for each account selected and included evidence of having been prepared within 2 months of the related statement closing date.

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

Exception: Bank reconciliations do not evidence a review of the bank reconciliation by a member of management or a board member who does not handle cash, post ledgers, or issue checks.

Management's Response: Management will have a board member review bank reconciliations.

- c) 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.

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

Collections (excluding electronic funds transfers)

4. 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).

A listing of deposit sites was obtained from management.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

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

Each employee responsible for collecting cash does not share the cash drawer with another employee.

- b) 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.

Each employee responsible for collecting cash does not prepare or make the related bank deposit.

- c) 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.

Each employee responsible for collecting cash does not post collection entries to the general or subsidiary ledgers.

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

The employee(s) responsible for reconciling cash collections to the general or subsidiary ledgers are not responsible for collecting cash.

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

Exception: The entity does not carry an insurance policy for theft covering all employees who have access to cash.

Management's Response: Management will review its insurance policies and correct as considered necessary.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliation procedure #3 (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). Alternately, 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:

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

The Bureau does not utilize a pre-numbered receipt system unless requested by a customer.

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

Exception: Two items selected were not supported by a receipt or similar documentation for the deposits.

Management's Response: Management will review its deposit procedures and correct as considered necessary.

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

No exceptions.

- d) 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).

Exception: In two instances, there was no evidence that the deposit was made within one business day of receipt at the collection location.

Management's Response: Management will review its deposit procedures and documentation requirements and correct as considered necessary.

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

No exceptions.

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

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

A listing of locations was obtained from management.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Any employee can initiate a purchase request, which is then approved by the Executive Director.

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

The Bookkeeper processes vendor payments and payments are approved by the Executive Director.

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

The Bookkeeper has the ability to modify/add vendor files, and changes are reviewed by the Executive Director.

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

Signed checks are mailed by an employee who is not responsible for processing payments.

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

All electronic disbursements of funds are approved by the Executive Director or the Bookkeeper.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

For all selections, no exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For all selections, no exceptions noted.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure 3, 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.

For all selections, no exceptions noted.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and 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.

A listing of all active credit cards was obtained from management.

13. 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:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Someone other than the cardholder approved the monthly statement.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Finance charges and late fees were not assessed on the selected statement.

14. Using the monthly statements or combined statements selected under procedure #13 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 (i.e. each card should have 10 transactions subject to testing). 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.

Exception: Of the items selected for inspection, one was not supported by an original itemized receipt that identifies precisely what was purchased. All items selected for inspection were supported by written documentation of the business/public purpose, and no meal charges were selected for inspection.

Management's Response: Management will review credit card procedures and adjust as considered necessary.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

The Bureau does not reimburse using a per diem; therefore, this procedure is not applicable.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, 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:

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

No contracts are required to be bid in accordance with the Louisiana Public Bid Law; therefore, this procedure is not applicable.

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

All contracts selected received appropriate approvals when applicable.

- c) 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

No contracts were amended; therefore, this procedure is not applicable.

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

No exceptions to procedure noted.

Payroll and Personnel

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

Obtained listing from Management and agreed selected employees' salaries and pay rates without exception.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

20. 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.

Management's representation was obtained covering these statements.

Ethics

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

- a) 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

Exception: Of the employees selected, three lacked documentation that one hour of ethics training was completed during the calendar year as required by R.S. 42:1170.

Management's Response: Management will ensure ethics training is completed in accordance with the requirements of R.S. 42:1170

- b) 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.

The entity made no changes to its ethics policy during the fiscal period; therefore, this procedure is not applicable.

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

The agency has appointed the Executive Director to be its ethics designee.

Debt Service

23. 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.

The entity has no debt; therefore, this procedure is not applicable.

24. 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).

The entity has no debt; therefore, this procedure is not applicable.

Fraud Notice

25. 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.

There were no misappropriations of public funds identified during the fiscal period; therefore, this procedure is not applicable.

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

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

27. 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 that such backup (a) occurred within the past week, (b) was not stored on the entity's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions noted.

29. Using the 5 randomly selected employees from Payroll and Personnel Procedure #17, obtain cyber security training documentation from management, and observe that the documentation demonstrates that the following employees with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267 in accordance with the following requirements:

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

Exception: Bureau employees did not complete cybersecurity training in accordance with the requirements of R.S. 42:1267.

Management's Response: Management will ensure that cybersecurity training is completed in accordance with the requirements of R.S. 42:1267.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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

Exception: For three selections, sexual harassment training was not completed during the calendar year as required by R.S. 42:343.

Management's Response: Management will ensure sexual harassment training will be completed in accordance with R.S. 42:343.

31. 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).

No exceptions noted.

32. 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:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;

- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exception: The entity's annual sexual harassment report was not prepared in accordance with the requirements of R.S. 42:344.

Management's Response: Management will ensure the annual sexual harassment report is prepared in accordance with the requirements of R.S. 42:344.

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

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

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

February 24, 2025