

Shreveport-Bossier Convention and Tourist Bureau

Financial Statements

As of and For the Year Ended December 31, 2021

Shreveport–Bossier Convention and Tourist Bureau
Shreveport, Louisiana

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COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

Independent Auditors' Report

To the Board of Commissioners
Shreveport–Bossier Convention and Tourist Bureau

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Shreveport–Bossier Convention and Tourist Bureau, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Shreveport–Bossier Convention and Tourist Bureau's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Shreveport–Bossier Convention and Tourist Bureau, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shreveport–Bossier Convention and Tourist 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 Shreveport–Bossier Convention and Tourist Bureau's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9 and the budgetary comparison information on page 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

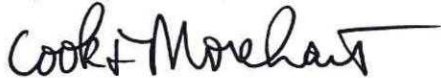
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shreveport–Bossier Convention and Tourist Bureau's basic financial statements. The accompanying other supplementary information, shown on page 27, is presented for purposes of additional analysis and is not a

required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 24, 2022, on our consideration of Shreveport–Bossier Convention and Tourist 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 Shreveport–Bossier Convention and Tourist Bureau’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shreveport–Bossier Convention and Tourist Bureau’s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 24, 2022

SHREVEPORT–BOSSIER CONVENTION AND TOURIST BUREAU

MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis of Shreveport–Bossier Convention and Tourist Bureau’s financial performance provides an overview of the Shreveport–Bossier Convention and Tourist Bureau’s financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the Bureau’s financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Shreveport–Bossier Convention and Tourist Bureau’s net position increased by \$2,083,087 or 37.30%.

The Shreveport–Bossier Convention and Tourist Bureau’s total general and program revenues were \$7,031,290 in 2021 compared to \$4,168,653 in 2020.

During the year ended December 31, 2021, the Shreveport–Bossier Convention and Tourist Bureau had total expenses, excluding depreciation, of \$4,803,077.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Shreveport–Bossier Convention and Tourist Bureau as a whole and present a longer-term view of the Bureau’s finances. Fund financial statements start on page 12. 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 Shreveport–Bossier Convention and Tourist Bureau’s operations in more detail than the government–wide statements by providing information about the Shreveport–Bossier Convention and Tourist Bureau’s most significant funds.

Reporting the Shreveport–Bossier Convention and Tourist Bureau as a Whole

Our analysis of the Shreveport–Bossier Convention and Tourist Bureau as a whole begins on page 10. One of the most important questions asked about the Shreveport–Bossier Convention and Tourist Bureau’s finances is “Is the Shreveport–Bossier Convention and Tourist Bureau as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Shreveport–Bossier Convention and Tourist Bureau as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Shreveport–Bossier Convention and Tourist Bureau’s *net position* and changes in them. You can think of the Shreveport–Bossier Convention and Tourist Bureau’s net position – the difference between assets and liabilities – as one way to measure the Shreveport–Bossier Convention and Tourist Bureau’s financial health, or *financial position*. Over time, *increases* or *decreases* in the Shreveport–Bossier Convention and Tourist Bureau’s net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Bureau’s property tax base, to assess the overall health of the Bureau.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the Shreveport–Bossier Convention and Tourist Bureau as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the Shreveport–Bossier Convention and Tourist Bureau are reported here which consists primarily of personal services, materials and supplies, tourism projects, communications, advertising, travel, repairs and maintenance and other program services. Occupancy taxes finance most of these activities.

Reporting the Bureau’s Most Significant Funds

The Shreveport–Bossier Convention and Tourist Bureau has only one fund – General fund, which is a governmental fund. Our analysis begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the general fund maintained by the Shreveport–Bossier Convention and Tourist Bureau – not the Shreveport–Bossier Convention and Tourist Bureau as a whole. The Shreveport–Bossier Convention and Tourist Bureau’s *governmental fund* uses the following accounting approaches:

Governmental funds – All of the Shreveport–Bossier Convention and Tourist Bureau’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Shreveport–Bossier Convention and Tourist Bureau’s general government operations and the expenses paid from those funds. 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 Shreveport–Bossier Convention and Tourist Bureau expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

THE SHREVEPORT–BOSSIER CONVENTION AND TOURIST BUREAU AS A WHOLE

The Shreveport–Bossier Convention and Tourist Bureau’s total net position changed from a year ago, increasing from \$5,584,834 to \$7,667,921.

**Table 1
Net Position**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$6,184,192	\$ 3,867,381
Capital assets	<u>2,088,526</u>	<u>2,197,537</u>
Total assets	<u>8,272,718</u>	<u>6,064,918</u>
Current liabilities	445,036	182,240
Long-term liabilities	<u>159,761</u>	<u>297,844</u>
Total liabilities	<u>604,797</u>	<u>480,084</u>
Net position:		
Net investment in capital assets	1,928,765	1,899,694
Unrestricted	<u>5,739,156</u>	<u>3,685,140</u>
Total net position	<u>\$7,667,921</u>	<u>\$ 5,584,834</u>

Net position of the Shreveport–Bossier Convention and Tourist Bureau’s governmental activities increased by \$2,083,087 or 37.30% for the year ended December 31, 2021 and increased by \$25,360 or .45% for the year ended December 31, 2020.

Table 2
Change in Net Position

	Governmental Activities	
	2021	2020
Revenues		
Program revenues		
Intergovernmental grants - contributions	\$ 309,300	\$ 22,000
Events income	349,957	98,924
General revenue		
Occupancy tax	5,638,175	4,036,194
Debt forgiveness	721,037	
Miscellaneous revenues	10,748	6,600
Interest income	2,073	4,935
Total revenues	<u>7,031,290</u>	<u>4,168,653</u>
Expenses		
Convention/Tourism	1,030,927	861,342
Sports and major events	1,832,240	1,169,715
Communications	1,329,676	1,373,529
Administrative	745,337	719,904
Interest on long-term debt	10,023	18,803
Total expenses	<u>4,948,203</u>	<u>4,143,293</u>
 Increase (decrease) in net position	 <u>\$2,083,087</u>	 <u>\$ 25,360</u>

Total revenues increased \$2,862,637 (68.67%) from total revenues in the year ended December 31, 2020 of \$4,168,653 to total revenues of \$7,031,290 in the year ended December 31, 2021.

The increase was primarily the results of increases in the occupancy taxes and debt forgiveness income.

THE BUREAU'S FUNDS

As the Bureau completed the year ended December 31, 2021, its governmental fund (as presented in the balance sheet on page 12) reported a fund balance of \$5,693,736, which is more than last year's fund balance of \$3,640,080.

General Fund Budgetary Highlights

The Bureau adopted a budget for its General Fund for the year ended December 31, 2021. There was one amendment to the budget during the year. The Bureau's budgetary comparison is presented as required supplementary information and shown on page 26.

Highlights for the year are as follows:

- Revenues – occupational taxes received were more than budgeted amounts by \$152,526.
- Expenditures were less than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2021, the Shreveport–Bossier Convention and Tourist Bureau had invested \$2,088,526 in capital assets compared to \$2,197,537 at December 31, 2020. (see table 3 below)

Table 3
Capital Assets at Year End
(Net Depreciation)

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 339,000	\$ 339,000
Construction in progress	6,673	
Buildings and improvements	1,681,422	1,785,613
Equipment	5,390	11,270
Vehicles	56,041	61,654
Total assets	<u>\$2,088,526</u>	<u>\$2,197,537</u>

There were no additions to capital assets for 2020. The additions to capital assets for 2021 were for the purchase of one vehicle for \$29,442 and construction in progress for \$6,673. More detailed information about the capital assets are presented in Note 3 to the financial statements.

Debt Administration

Table 4
Outstanding Debt At Year End

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Capital Lease	\$ 19,761	\$ 27,844
Revenue bonds	<u>140,000</u>	<u>270,000</u>
	<u>\$ 159,761</u>	<u>\$ 297,844</u>

More detail information about the debt is presented in Note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Shreveport–Bossier Convention and Tourist Bureau’s management considered many factors when setting a fiscal year December 31, 2022 budget. Amounts available for appropriation in the governmental funds are expected to be approximately the same as 2021 except there will not be any debt forgiveness revenue and the Bureau received funds totaling \$3,382,162 from the State of Louisiana under the Coronavirus State and Local Fiscal Recovery Funds Tourism Revival Program. It is anticipated that management will consider and monitor the economic uncertainties of COVID-19 and the impact on available resources.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Shreveport–Bossier Convention and Tourist Bureau and to show the Shreveport–Bossier Convention and Tourist Bureau’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the President at P.O. Box 1761, Shreveport, Louisiana, 71166.

Shreveport - Bossier Convention and Tourist Bureau
Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,649,694
Accounts receivable - occupancy tax	440,818
Accounts receivable - other	47,748
Prepaid expenses	45,932
Land	339,000
Construction in progress	6,673
Capital assets (net)	1,742,853
Total assets	8,272,718
LIABILITIES	
Accounts payable	397,287
Accrued expenses	47,749
Long-term liabilities	
Due within one year	148,504
Due in more than one year	11,257
Total liabilities	604,797
NET POSITION	
Net investment in capital assets	1,928,765
Unrestricted	5,739,156
Total net position	\$ 7,667,921

The accompanying notes are an integral part of this statement.

Shreveport - Bossier Convention and Tourist Bureau
Statement of Activities
For the Year Ended December 31, 2021

		<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
<u>Functions / Programs:</u>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities			
Convention/Tourism	\$ 1,030,927	\$ 309,300	\$ (721,627)
Sports and major events	1,832,240	349,957	(1,482,283)
Communication	1,329,676		(1,329,676)
Administrative	745,337		(745,337)
Interest on long-term debt	10,023		(10,023)
Total governmental activities	<u>4,948,203</u>	<u>659,257</u>	<u>(4,288,946)</u>
General revenues:			
Occupancy taxes			5,638,175
Debt forgiveness			721,037
Interest income			2,073
Miscellaneous			10,748
Total general revenues			<u>6,372,033</u>
Change in net position			2,083,087
Net position - beginning			5,584,834
Net position - ending			<u>\$ 7,667,921</u>

The accompanying notes are an integral part of this statement.

Shreveport - Bossier Convention and Tourist Bureau
Balance Sheet
Governmental Fund
December 31, 2021

	<u>General Fund</u>
Assets	
Cash	\$ 5,649,694
Account receivable - occupancy tax	440,818
Account receivable - other	47,748
Total assets	<u>\$ 6,138,260</u>
Liabilities	
Accounts payable	\$ 397,287
Accrued expenses	47,237
Total liabilities	<u>444,524</u>
Fund balance	
Committed	222,954
Assigned	2,650,041
Unassigned	2,820,741
Total fund balance	<u>5,693,736</u>

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

The nonallocation method of accounting for prepayment is used in the fund statements, since the prepayment does not provide expendable financial resources.	45,932
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	(160,273)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	<u>2,088,526</u>
Net position of governmental activities	<u>\$ 7,667,921</u>

The accompanying notes are an integral part of this statement.

Shreveport - Bossier Convention and Tourist Bureau
 Governmental Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2021

	General Fund
Revenues	
Occupancy taxes	\$ 5,638,175
Intergovernmental revenues	309,300
Events income	349,957
Other income	10,748
Interest income	2,073
Total revenues	6,310,253
Expenditures	
Current	
Convention/Tourism	994,646
Sports and major events	1,795,959
Communication	1,293,394
Administrative and general	708,937
Capital outlay	36,115
Debt service:	
Principal	138,083
Interest	10,500
Total expenditures	4,977,634
Excess of revenues over expenditures	1,332,619
Other financing sources:	
Debt forgiveness	721,037
Net change in fund balance	2,053,656
Fund balance at beginning of year	3,640,080
Fund balance at end of year	\$ 5,693,736

The accompanying notes are an integral part of this statement.

Shreveport - Bossier Convention and Tourist Bureau
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of the Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2021

Net change in fund balances - total governmental fund	\$ 2,053,656
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$145,126 exceeded capital outlay \$36,115 in the current period.</p>	(109,011)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has any effect on net position.</p> <p style="padding-left: 40px;">Principal payments on long-term debt</p>	138,083
<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources</p>	(118)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, however, interest expense is recognized as the interest accrues in the statement of net position.</p>	477

Change in net position of governmental activities	\$ 2,083,087

The accompanying notes are an integral part of this statement.

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021

INTRODUCTION

The Shreveport–Bossier Convention and Tourist Commission was created by and in accordance with the provisions of Act 19, State of Louisiana 1970 and has been amended several times since. In 1995 the original Commission was replaced by a new Commission which is a political subdivision of the State of Louisiana (LSA–R.S. 33:4574). The Commission voted to operate as a public agency effective January 1, 2001, and to continue to operate under the name of Shreveport-Bossier Convention and Tourist Bureau (the Bureau).

The Bureau was created to promote the convention and visitor industry of the Shreveport–Bossier metropolitan area to the greatest possible extent, using the proceeds of an occupancy tax derived from a three percent tax levied upon the occupancy of hotel rooms, motel rooms and overnight camping facilities within the jurisdiction of the Commission and revenue from other sources as may be arranged by The Bureau. The Board of Commissioners is composed of seventeen members and are appointed and serve terms based upon representation of benefiting groups in accordance with the State law which created the Commission. Board members receive no compensation for their services.

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Bureau have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Shreveport–Bossier Convention and Tourist Bureau are discussed below.

B. Reporting Entity

State law states that the Bureau shall be a body politic and political subdivision of the State of Louisiana.

The basic criterion for determining whether a governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The Board of Commissioners is composed of seventeen members and are appointed and serve terms based upon representation of benefiting groups in accordance with the State law which created the Commission.

For these reasons, the Bureau is considered a separate local public entity and is not considered a component of any parish or other local government.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

C. Basic Financial Statements – Government-Wide Statements

The Shreveport–Bossier Convention and Tourist Bureau's basic financial statements include both government-wide (reporting the funds maintained by the Shreveport–Bossier Convention and Tourist Bureau as a whole) and fund financial statements (reporting the Shreveport–Bossier Convention and Tourist Bureau's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Shreveport–Bossier Convention and Tourist Bureau's general fund is classified as governmental activities. The Shreveport–Bossier Convention and Tourist Bureau does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The Shreveport–Bossier Convention and Tourist Bureau's net position is reported in two parts – net investment in capital assets net of related debt and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Shreveport–Bossier Convention and Tourist Bureau's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the Bureau consist of contributions, operating grants, and sponsorships of events from other governments and businesses. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the Shreveport–Bossier Convention and Tourist Bureau as an entity and the change in the Shreveport–Bossier Convention and Tourist Bureau's net assets resulting from the current year's activities.

D. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Shreveport–Bossier Convention and Tourist Bureau are recorded in an individual fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The fund is reported by generic classification within the financial statements.

The following fund type is used by the Shreveport–Bossier Convention and Tourist Bureau:

Governmental Fund – the focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Shreveport–Bossier Convention and Tourist Bureau:

- a. The general fund is the general operating fund of the Shreveport–Bossier Convention and Tourist Bureau. It is used to account for all financial resources.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Bureau's general fund was determined to be a major fund.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental fund in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Shreveport–Bossier Convention and Tourist Bureau consist principally of occupancy taxes levied upon occupancy of hotel rooms, motel rooms, and overnight camping facilities, other intergovernmental revenues, and interest income. Occupancy taxes are recognized in the period in which the underlying exchange has taken place. Interest income is recorded when earned. Intergovernmental revenues are recorded when received because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Depreciation is not recognized in the governmental fund financial statements.

F. Budgets

The Bureau uses the following budget practices:

- (1) Bureau Management prepares a proposed budget and submits it to the Board of Commissioners for approval.
- (2) After completion of all action necessary to finalize and implement the budget, the budget is adopted at least fifteen days prior to the commencement of the fiscal year for which the budget is being adopted.
- (3) The budget document is structured such that revenues are budgeted by source and appropriations are budgeted by function and by object. Budgetary amendments require approval of the Board of Commissioners.
- (4) All budgetary appropriations lapse at the end of each fiscal year.
- (5) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for the fund.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

G. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and investments, if any, with original maturities of 90 days or less. Under state law, the Bureau may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more for equipment and \$10,000 for improvements are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	7 – 30 years
Furniture and fixtures	5 – 10 years
Equipment	3 – 10 years
Vehicles	4 – 7 years

I. Compensated Absences

The Bureau has the following policy relating to vacation leave:

Employees of the Bureau earn vacation leave each year. The Bureau allows 40 hours of vacation leave to carry forward to the next year. The cost of leave privileges, computed in accordance with the above policy, is recognized as a current-year expenditure within the various funds when leave is actually earned.

J. Occupancy Tax Revenue

Occupancy tax revenue represents a three percent tax levied by the Shreveport–Bossier Convention and Tourist Commission upon the occupancy of hotel room, motel rooms, and overnight camping facilities within Caddo and Bossier Parishes. Occupancy tax revenues (and related receivables) are considered derived tax revenues to be recognized when the underlying exchange takes place, i.e. when the facilities are rented.

During 1999, the Shreveport-Bossier Convention and Tourist Commission levied an additional 1.5 percent tax. Three fourths of one percent of the new tax is dedicated for capital improvements, repairs, and maintenance of Independence Stadium and the remaining three fourths of one percent

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

is to be used for the same purposes for which monies from the fund created by R.S. 47:302.3 are used. This additional 1.5 percent tax is collected by the tax collecting agencies in Caddo and Bossier Parishes and sent directly to the City of Shreveport and the City of Bossier City. The additional 1.5 tax is not reflected in the financial statements of The Bureau.

During 2015, the Shreveport-Bossier Convention and Tourist Bureau levied an additional 1.5 percent tax, beginning December 7, 2015 and ending June 30, 2027. Fifty-percent of one cent shall be used to support the Shreveport-Bossier Sports Commission, a division of the Bureau. Fifty-percent of one cent shall be used to support the Independence Bowl Foundation. Fifty-percent of one cent shall be used to support the Ark-La-Tex Regional Air Service Alliance. This additional 1.5 percent tax is collected by the tax collecting agencies in Caddo and Bossier Parishes and sent directly to the three organizations. The fifty-percent of one cent for both the Independence Bowl Foundation and the Ark-La-Tex Regional Air Service Alliance is not reflected in the financial statements of the Bureau.

K. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

L. Net Position

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the Bureau's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Bureau's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

M. Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are reported as prepaid expenses in the government-wide financial statements.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Balance

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the Board of Commissioners (the Bureau's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the Board of Commissioners removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).
4. Assigned fund balances are amounts that are constrained by the Bureau's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned fund balance are the residual classification for the Bureau's general fund and include all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the Bureau's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Bureau has no transactions that meet the definition of deferred outflows of resources.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

The Bureau's governmental activities and governmental fund will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Bureau has no transactions that meet the definition of deferred inflows of resources.

(2) Cash and Cash Equivalents

At December 31, 2021, the Bureau has cash and cash equivalents (book balances) totaling \$5,649,694 in interest bearing demand deposits and money market accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. As of December 31, 2021, the Bureau's collected bank balances were secured from credit risk by \$250,000 of federal deposit insurance. The remaining \$5,555,424 was exposed to custodial credit risk as uninsured deposits protected and collateralized with pledged securities held by the custodial bank's trust department not in the Bureau's name.

Even though the pledged securities are considered uncollateralized (Category 2) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Bureau that the fiscal agent has failed to pay deposited funds upon demand.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

(3) Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance at Jan. 1, 2021	Additions	Deletions	Balance at Dec. 31, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 339,000	\$		\$ 339,000
Construction in progress		6,673		6,673
	<u>339,000</u>	<u>6,673</u>		<u>345,673</u>
Capital assets, being depreciated:				
Buildings and improvements	3,085,884			3,085,884
Furniture and fixtures	80,066			80,066
Equipment	75,297			75,297
Vehicles	150,926	29,442		180,368
Total capital assets, being depreciated at historical cost	<u>3,392,173</u>	<u>29,442</u>		<u>3,421,615</u>
Less accumulated depreciation:				
Buildings and improvements	(1,325,507)	(97,309)		(1,422,816)
Furniture and fixtures	(54,830)	(6,882)		(61,712)
Equipment	(64,027)	(5,880)		(69,907)
Vehicles	(89,272)	(35,055)		(124,327)
Total accumulated depreciation	<u>(1,533,636)</u>	<u>(145,126)</u>		<u>(1,678,762)</u>
Total capital assets, being depreciated, net	<u>1,858,537</u>	<u>(115,684)</u>		<u>1,742,853</u>
Governmental activities capital assets, net	<u>\$ 2,197,537</u>	<u>\$ (109,011)</u>	<u>\$</u>	<u>\$ 2,088,526</u>

Depreciation expense for the year ended December 31, 2021, was \$145,126. Depreciation expense was charged to the following governmental activities:

Convention/Tourism	\$ 36,282
Sports and major events	36,282
Communications	36,281
Administrative	36,281
	<u>\$ 145,126</u>

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

(4) Pension Retirement Plan

The Bureau provides a Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code and a Governmental 401(a) Money Purchase Plan. The Bureau's Plan does not meet the criteria established under GASB, therefore, the plan's assets and liabilities are not presented in the financial statements of the Bureau. The Bureau matches and contributes up to 10% of employee's compensation to the plan. The Bureau's contribution to the Plan for the year ended December 31, 2021 was \$111,531.

(5) Risk Management

The Bureau purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(6) Lease Commitments

At December 31, 2021, the Bureau had non-cancelable operating leases for various equipment.

Minimum annual commitments under non-cancelable leases are as follows:

2022		\$ 2,415
		<u>\$ 2,415</u>

Total rental expenditures under operating leases for the year ended December 31, 2021, was \$8,543.

(7) Fund Balance Classifications

The constraints on fund balances as listed in aggregate are composed of the following:

Fund balances:	
Committed	
Marketing	\$ 222,954
Assigned	
Subsequent tourism operations	1,500,000
Retirement of long-term debt	140,000
Future sporting events	710,041
Special events	200,000
Capital projects	100,000
Unassigned	<u>2,820,741</u>
	<u>\$ 5,693,736</u>

(8) Contingencies

At December 31, 2021, the Bureau is involved in one lawsuit. The potential loss or outcome is not presently determinable.

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

(9) Subsequent Events

Subsequent events have been evaluated through June 24, 2022, the date the financial statements were available to be issued.

Subsequent to December 31, 2021, the Bureau received funding totaling \$3,382,162 from the State of Louisiana under the Coronavirus State and Local Fiscal Recovery Funds Tourism Revival Program.

On February 1, 2022, the Bureau ordered a vehicle with a cost of \$29,165. Also, on April 1, 2022 the Bureau signed an agreement–contract for approximately \$30,865 for building repairs.

(10) Debt Forgiveness

During January and April of 2021, the Bureau received loan proceeds totaling \$721,037 under the Paycheck Protection Program (“PPP”) of the U.S. Small Business Administration. The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Bureau intends to use the proceeds for purposes consistent with the PPP. Both loans were forgiven during 2021 and reported as inflow of resources as debt forgiveness.

(11) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(12) Long-Term Debt

The Bureau’s long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due within One Year</u>
Bonds payable	\$ 270,000	\$	\$ (130,000)	\$ 140,000	\$ 140,000
Capital lease - vehicle	27,844		(8,083)	19,761	8,504
	<u>\$ 297,844</u>	<u>\$</u>	<u>\$ (138,083)</u>	<u>\$ 159,761</u>	<u>\$ 148,504</u>

Revenue bonds, Series 2011, dated August 15, 2007, for construction, improvement of facilities. Payments on the debt are made semi-annually with annual debt service over 15 years of \$138,000 to \$146,000 through June, 2022. Interest rate on the bonds is 4.4%. Repayment of debt will be from the excess of annual revenues. The revenue bonds are considered direct borrowings and direct placement debt.

\$ 140,000

(Continued)

Shreveport–Bossier Convention and Tourist Bureau
Notes to Financial Statements
December 31, 2021
(Continued)

Annual requirements to retire long-term debt are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	<u>\$ 140,000</u>	<u>\$ 3,080</u>	<u>\$ 143,080</u>

Interest expense in the statement of activities for the year ended December 31, 2021 on the bonds payable was \$8,793.

Capital Lease - Equipment

During 2019, the Bureau entered into a capital lease agreement to purchase a vehicle. The lease agreement qualifies as a capital lease for accounting purposes. The vehicle is included in capital assets at a cost of \$41,212, with accumulated depreciation totaling \$28,333, for a net book value of \$12,879 as of December 31, 2021. Depreciation expense for 2021 was \$10,303. Interest has been imputed at a rate of 5.09%, and the Bureau will make monthly payments through March 2024. The debt will be repaid from funds legally available for such purposes by the Bureau. The lessor has been granted a security interest in the equipment.

Future minimum lease obligation and the net present value of minimum lease payments as of December 31, 2021 were as follows:

Year Ending December 31,	
2022	\$ 9,313
2023	9,314
2024	<u>2,329</u>
Total minimum lease payments	\$ 20,956
Less amounts representing interest	<u>(1,195)</u>
Present value of future minimum lease payments	<u>\$ 19,761</u>

Interest expense in the statement of activities for the year ended December 31, 2021 on the capital lease was \$1,230.

(13) Accounts Payable and Accrued Expenses

Accounts payable at December 31, 2021, was \$397,287 which consisted of regular trade payables.

Accrued expenses at December 31, 2021 consisted of the following:

Compensated absences	\$ 26,002
Accrued payroll	<u>21,235</u>
Total fund statements	47,237
Accrued interest payable	<u>512</u>
Total government-wide financial statements	<u>\$ 47,749</u>

Shreveport - Bossier Convention and Tourist Bureau
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues				
Occupancy taxes	\$ 4,346,119	\$ 5,485,649	\$ 5,638,175	\$ 152,526
Intergovernmental revenues	139,573	314,573	309,300	(5,273)
Events income	313,100	405,890	349,957	(55,933)
Other income			10,748	10,748
Interest income	2,150	2,150	2,073	(77)
Total revenues	4,800,942	6,208,262	6,310,253	101,991
Expenditures				
Current:				
Convention/Tourism	985,367	1,127,537	994,646	132,891
Communication	1,309,960	1,474,508	1,293,394	181,114
Administrative and general	693,084	1,560,044	708,937	851,107
Sports and major events	1,695,566	2,099,038	1,795,959	303,079
Capital outlay			36,115	(36,115)
Debt service	139,020	139,020	148,583	(9,563)
Total expenditures	4,822,997	6,400,147	4,977,634	1,422,513
Excess of revenues over (under) expenditures	(22,055)	(191,885)	1,332,619	1,524,504
Other financing sources:				
Debt forgiveness		721,000	721,037	37
Net change in fund balance	(22,055)	529,115	2,053,656	1,524,541
Fund balance at beginning of year	3,640,080	3,640,080	3,640,080	
Fund balance at end of year	\$ 3,618,025	\$ 4,169,195	\$ 5,693,736	\$ 1,524,541

Shreveport - Bossier Convention and Tourist Bureau
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head : Stacy A. Brown, CEO

PURPOSE	AMOUNT
Salary	\$ 172,168
Benefits - insurance	35,596
Benefits - retirement	17,372
Travel for Bureau business and trade shows	2,382
Travel for education and other	1,465
Other	5,031

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

To the Board of Commissioners
Shreveport-Bossier Convention and Tourist Bureau

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 fund of the Shreveport-Bossier Convention and Tourist Bureau as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Shreveport-Bossier Convention and Tourist Bureau's basic financial statements, and have issued our report thereon dated June 24, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Cook & Morehart
Certified Public Accountants
June 24, 2022

Shreveport–Bossier Convention and Tourist Bureau
Shreveport, Louisiana
Summary Schedule Audit Findings
December 31, 2021

Summary Schedule of Prior Audit Findings

There were no findings for the prior year audit for the year ended December 31, 2020.

Summary Schedule of Current Year Audit Findings

There are no findings for the current year audit for the year ended December 31, 2021.

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Shreveport-Bossier Convention and Tourist Bureau
and the Louisiana Legislative Auditor

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, 2021 through December 31, 2021. The Shreveport-Bossier Convention and Tourist Bureau's management is responsible for those C/C areas identified in the SAUPs.

Shreveport-Bossier Convention and Tourist Bureau (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, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledges 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.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions (including periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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.
- g) **Credit Cards (and debit cards, fuel cards, P-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.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided written policies and procedures addressing all of the above, except as follows:

Exception: The Bureau's sexual harassment policy did not include the requirement to file an annual report.

Management's Response: The Bureau will add the requirement to file an annual report to its policy.

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.

The Board of Commissioners of the Bureau met on a monthly basis in accordance with the Board's governing documents.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, 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 budget to actual comparison financial information.

c) 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.

The Bureau did not have a negative unassigned fund balance in the prior year audit report.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

Management provided the requested information, along with management's representation that the listing is complete.

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

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

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

No exceptions noted.

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

For the reconciliations tested there were no outstanding items more than 12 months.

Collections

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).

Management provided the requested information, along with management's representation that the listing is complete.

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 that are responsible for cash collections do not share cash drawers/registers.

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

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

Management provided the requested information, along with management's representation that the listing was complete and job duties are properly segregated.

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

The Bureau has a crime policy which includes coverage for employee theft.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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 drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

The Bureau does not utilize prenumbered receipts. For the deposits selected for testing, the deposit slip total was located on the bank statement, and the actual deposit was traced to the general ledger.

Exception: For the deposits selected for testing, there was no evidence that the deposits were made within one business day of receipt.

Management's Response: It is the Bureau's policy to make deposits in a timely manner and as deemed necessary.

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).

Management provided the requested information, along with management's representation that the listing is complete.

- 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.

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

Exception: The employee responsible for processing payments can also add/modify vendor files. The employee responsible for processing payments also mails the payments to the vendors.

Management's Response: The Bureau will consider controls whereby the same individual does not process payments and mail those payments to the vendors and mail signed checks. All purchases are approved by management prior to payment being made.

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 matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice, included supporting documentation indicating deliverables were received by the Bureau, and included evidence of segregation of duties, except as noted below:

Exception: The employee responsible for processing payments can also modify vendor files and mails the payments to the vendors.

Management's Response: The Bureau will consider controls whereby the same individual does not process payments and mail those payments to the vendors and mail signed checks. All purchases are approved by management prior to payment being made.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Management provided the requested information, along with management's representation that the listing is complete.

12. 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].

For the items tested, there was evidence that the monthly statement was reviewed and approved in writing by someone other than the authorized card holder.

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

None of the statements selected for testing contained finance charges and or late fees.

13. Using the monthly statements or combined statements selected under #12 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 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Transactions tested were supported by original itemized receipts.

- 2) Written documentation of the business/public purpose.

Transactions tested were supported with the business purpose documentation.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Transactions tested documented the individuals participating in the meals.

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

14. 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 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).

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

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

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

Management provided the listing and represented the listing was complete.

For the items tested, there were no exceptions.

Contracts

15. 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.

For the contracts tested, none were required to be bid in accordance with the Louisiana Public Bid Law.

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).

For the contracts tested, the governing board approval was not required.

c) If the contract was amended (e.g., change order), observe 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, was approval documented).

For the one contract that was amended, the amendment was made in compliance with contract terms.

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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted for the items tested.

Payroll and Personnel

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

Management provided the requested information, along with management's representation that the listing is complete. For the 5 employees selected for testing, the paid salaries agreed with the authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

Daily attendance and leave was documented for the employees selected for testing.

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

For the items tested, supervisors approved the attendance and leave.

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

For the transactions selected for testing, leave taken was reflected in the Bureau's cumulative leave records.

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

For the transactions selected for testing, the rate of pay to the employees agreed to the authorized salary/pay rate found within the personnel file.

- 18. 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's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

The Bureau did not pay out any termination payments during the fiscal period.

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

Management provided representation that employer and employee portions of third party payroll related amounts, including payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Exception: For the five (5) employees selected for testing, one (1) employee's records did not document that the ethics training was completed.

Management's Response: It is the Bureau's policy for all employees to complete the required ethics training annually.

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

The Bureau did not make any changes to the ethics policy during the fiscal period.

Debt Service

- 21. 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 State Bond Commission approval was obtained for each debt instrument issued.

The Bureau did not issue any debt during the fiscal period.

- 22. 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).

Management provided the listing and represented that it was complete. For the transactions selected for testing, there were no exceptions noted.

Fraud Notice

23. 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 Bureau attorney of the parish in which the entity is domiciled.

The Bureau's management represented that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe 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

We observed the Bureau 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.

Information Technology Disaster Recovery/Business Continuity

25. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

For the employees selected for testing, sexual harassment training documentation was provided.

27. Observe 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).

The Bureau has posted its sexual harassment policy on the premise.

28. 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 it 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 Bureau did not complete the required report for the current fiscal period.

Management's Response: The Bureau will complete the required report.

We were engaged by Shreveport–Bossier Convention and Tourist 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 Shreveport–Bossier Convention and Tourist 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.



Cook & Morehart
Certified Public Accountants
June 24, 2022