

EISNERAMPER

**VISIT BATON ROUGE
FINANCIAL REPORT
DECEMBER 31, 2025**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of Visit Baton Rouge (VBR) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise VBR's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Visit Baton Rouge, as of December 31, 2025, 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 Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VBR's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VBR's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of funding progress and employer contributions for other post-employment benefit plan, and the budgetary comparison schedules on, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Visit Baton Rouge basic financial statements. The accompanying schedule of compensation, benefits and other payments to the Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits and other payments to the Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to the Chief Executive Officer is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026 on our consideration of VBR's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VBR's internal control over financial reporting and compliance.



EISNERAMPER LLP
Baton Rouge, Louisiana
April 23, 2026



VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

This section of Visit Baton Rouge's (VBR) annual financial report presents our discussion and analysis of VBR's financial performance during the year that ended on December 31, 2025. Please read it in conjunction with VBR's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- VBR's net position was \$11,864,783 for governmental activities at December 31, 2025, an increase of 1.5% from net position as of December 31, 2024, of \$11,682,726.
- The overall increase in VBR's net position of \$182,057 can be attributed primarily to increased tourism activity, including the nonrecurring impact of the 2025 USBC Open Championships.
- The general fund ended the years 2025 and 2024 with a \$10,479,584 and \$11,342,723 fund balance, respectively, which represents approximately 119% of annual expenditures each year. Of that balance for the years ended 2025 and 2024, \$1,982,998 and \$2,276,049, respectively, was unassigned and available for general use.
- Visit Baton Rouge formed VBR-232 Lafayette, Inc., a nonprofit public entity, on June 3, 2025, to assist in raising additional capital to finance and refinance the acquisition, renovation, improvement, equipping, and operation of the historic building located at 232 Lafayette Street, Baton Rouge, Louisiana, which will serve as VBR's new headquarters. The entity will allow VBR to apply for, obtain, and sell State Historic Tax Credits (SHTC's) in connection with the project, and to utilize the proceeds thereof for all lawful purposes including prepayment of the bonds. VBR-232 Lafayette, Inc. had no fiscal activity during the fiscal year. The entity is expected to be utilized in connection with future bond financing and historic tax credit transactions related to the headquarters project and may have a financial impact on VBR in future periods.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

The government-wide statements report information about VBR as a whole using accounting methods similar to those used by private-sector companies. The government-wide statements report VBR's net position and how it has changed. The statement of net position includes all of the government's assets, deferred outflows, liabilities and deferred inflows.

All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Government-wide Financial Statements (continued)

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

Fund Financial Statements

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

FINANCIAL ANALYSIS OF VBR

Table A-1 Net Position		
	2025	2024
Cash, investments, and other assets	\$ 10,878,687	\$ 11,529,888
Capital assets	2,771,721	1,718,739
Deferred outflows	273,728	337,319
Total assets and deferred outflows	13,924,136	13,585,946
Accounts payable	399,103	187,165
Long term liabilities	1,480,800	1,518,807
Deferred inflows	179,450	197,248
Total liabilities and deferred inflows	2,059,353	1,903,220
Net position		
Net investment in capital assets	2,566,121	1,466,339
Unrestricted	9,298,662	10,216,387
Total net position	\$ 11,864,783	\$ 11,682,726

A substantial portion of the assets of VBR are liquid and generally available for spending. Amounts invested in capital assets consist primarily of a renovated office building, office furniture and construction in progress for the 232 building.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Change in net position

VBR's change in net position, or overall net gain, was \$182,057. The change in net position results from revenues exceeding expenses. The net gain is primarily attributable to increased tourism activity, including the nonrecurring impact of the 2025 USBC Open Championships.

Hotel-Motel taxes of \$7,422,116 reflect a 4.65% increase over 2024 revenues. Hotel-Motel taxes represent 93.6% and 80.7% of total revenues for 2025 and 2024, respectively.

Table A-2 shows the composition of revenues and summarizes the expenses for the years ended 2025 and 2024.

	2025	2024
Revenues		
General revenues		
Hotel-Motel taxes	\$ 7,422,116	\$ 7,092,568
Interest	405,056	548,408
Grant Revenue	100,000	-
Total general revenues	7,927,172	7,640,976
Program revenues		
Tourism Revival Fund	-	1,147,601
Total revenues	7,927,172	8,788,577
Expenses		
Payroll	2,761,845	2,478,777
Promotions	3,691,375	4,811,967
General and Administrative	1,140,622	1,178,562
City tax rebates	151,273	150,591
Total expenses	7,745,115	8,619,897
Increase in net position	\$ 182,057	\$ 168,680

Payroll and promotional activities together represent 83.3% and 84.6% of total expenses in 2025 and 2024, respectively, reflecting VBR's continued investment in personnel and marketing and sales efforts to promote and sell Baton Rouge as a tourism and convention destination.

The decrease in promotional expenses compared to the prior year is primarily due to reduced spending on advertising and sales initiatives, driven by the absence of Tourism Revival Fund resources that were available in 2024. The increase in payroll reflects the addition of two new positions (Director of Marketing and Vice President of Admiration), as well as organizational restructuring and promotions associated with the reallocation of responsibilities previously held by VBR's Senior Executive Vice President of Administration, whose position retired in September 2025.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Change in net position (continued)

The increase in Hotel-Motel tax revenue was primarily driven by the hosting of the 2025 USBC Open Championships in Baton Rouge, as well as the reopening of the Belle Hotel in early 2025. This increase helped offset the overall decline in total revenues resulting from the absence of Tourism Revival Grant funding during the fiscal year ended December 31, 2025.

Financial Analysis of the General Fund

VBR completed the years ended 2025 and 2024 with a general fund balance of \$10,479,584 and \$11,342,723, respectively. Of the 2025 fund balance, \$8,403,331 has been committed by the Board for various projects, \$93,255 has been disbursed and is recorded as a prepaid asset, and \$1,982,998 is available for general use. The unassigned fund balance is the result of an accumulation of prior year operating surpluses and will allow VBR to continue operations in times of decreasing revenue and to pursue other projects as it may deem appropriate. This level of fund balance provides flexibility to support operations, planned capital projects, and future debt service requirements.

General Fund Budgetary Highlights

Under the budget, the general fund operated at a net deficit of \$863,139 which was \$208,970 more favorable than the budgeted deficit of \$1,072,109. This favorable result is attributable to VBR receiving more tax revenues over the budget amount and due to less spending than budgeted by VBR.

CAPITAL ASSETS

At the end of December 31, 2025 and 2024, VBR had invested \$2,771,721 and \$1,718,739 respectively, in a building, office equipment and land. See Table A-3. This amount represents a net increase (including additions and deductions) of \$1,052,982 or 61% from last year.

	Table A-3 VBR's Capital Assets (net of depreciation) (See also Note 4 in the financial statements)	
	2025	2024
Equipment and software	\$ 562,259	\$ 478,472
Building	1,470,290	1,470,290
Land	623,786	623,786
Construction in Progress	1,107,506	89,052
Accumulated depreciation	(992,120)	(942,861)
Total	\$ 2,771,721	\$ 1,718,739

The increase in capital assets is attributed to costs related to the addition of Construction in Progress related to planning and professional services associated with the future VBR headquarters and Visitor Center, including the acquisition of the building in 2025 and approximately \$160,000 in architectural and design related costs incurred during the year. As of December 31, 2025, no construction contracts have been executed and activity is limited to architect fees to design, coordinate bids, and for contract administration for the two-story historic structure. The renovations are expected to begin in Q3 of 2026. VBR anticipates using proceeds from the future sale of its existing headquarters and State Historic Tax Credits to offset related bond obligations.

VISIT BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

LONG TERM DEBT

On September 21, 2007, VBR entered into an intergovernmental contract with the City of Baton Rouge, Louisiana to borrow \$1,000,000 for the purpose of paying for the improvement, renovation and equipping of the headquarters of VBR. VBR utilized \$750,000 of the \$1,000,000 available. The outstanding balance at December 31, 2025 and 2024 was \$205,600 and \$252,400, respectively. The amount due within one year related to the intergovernmental debt is \$49,200.

On January 29, 2021, VBR signed a Revenue Note, Series 2021 for the purpose of financing current and future operations and expenses in current and future fiscal years to ensure continuity of operations. The amount outstanding as of December 31, 2025 and 2024 was \$483,787.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In 2013, Visit Baton Rouge approved the benefit of post-employment medical and long-term care for retired employees for the first time. Prior to 2013, no benefits of any type were offered to retired employees. At December 31, 2025 and 2024 the other post-employment benefit obligation was \$750,737 and \$746,098, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

VBR's primary source of revenue is the hotel-motel occupancy tax. Revenues for 2026 have been budgeted based on actual 2025 results and estimates for the remaining periods, with consideration given to historical trends and industry expectations. The budget reflects a 6% decrease in revenues, representing a return to more typical operating conditions following the prior year's impact from the USBC Open Championships, a non-recurring, multi-month event that increased visitation and hotel demand.

The budget also reflects a modest 1% increase in operating expenditures, primarily due to anticipated debt service associated with bond financing and costs related to VBR's new headquarters project. VBR will continue to monitor economic conditions and tourism activity and will amend the budget, as necessary.

VBR anticipates issuing debt in connection with the headquarters project, which will result in additional future debt service obligations.

CONTACTING VBR'S FINANCIAL MANAGEMENT

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

VISIT BATON ROUGE
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	General Fund	Adjustments	Governmental Activities Statement of Net Position
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,552,882	\$ -	\$ 1,552,882
Investments - LAMP	8,403,331	-	8,403,331
Receivables	829,219	-	829,219
Prepaid expenses	93,255	-	93,255
Capital assets, net of accumulated depreciation	-	2,771,721	2,771,721
TOTAL ASSETS	<u>10,878,687</u>	<u>2,771,721</u>	<u>13,650,408</u>
<u>DEFERRED OUTFLOWS - OPEB</u>	-	273,728	273,728
<u>LIABILITIES</u>			
Accounts payable	399,103	-	399,103
Long-term liabilities			
Due within one year	-	49,200	49,200
Due in more than one year	-	640,187	640,187
Compensated absences - due within one year	-	3,000	3,000
Compensated absences - due in more than one year	-	37,676	37,676
Other post-employment benefit obligation - due within one year	-	16,866	16,866
Other post-employment benefit obligation - due in more than one year	-	733,871	733,871
TOTAL LIABILITIES	<u>399,103</u>	<u>1,480,800</u>	<u>1,879,903</u>
<u>DEFERRED INFLOWS - OPEB</u>	-	179,450	179,450
<u>FUND BALANCES/NET POSITION</u>			
Nonspendable - prepaids	93,255	(93,255)	-
Committed	8,403,331	(8,403,331)	-
Unassigned	1,982,998	(1,982,998)	-
TOTAL FUND BALANCE	<u>10,479,584</u>	<u>(10,479,584)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,878,687</u>		
Net position:			
Net investment in capital assets		2,566,121	2,566,121
Unrestricted		9,298,662	9,298,662
TOTAL NET POSITION		<u>\$ 11,864,783</u>	<u>\$ 11,864,783</u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balances - Governmental funds		\$ 10,479,584
Cost of capital assets at December 31, 2025	3,763,841	
Less: accumulated depreciation as of December 31, 2025	<u>(992,120)</u>	2,771,721
Total other post-employment benefits obligation		(750,737)
Deferred inflows of resources related to OPEB liability		(179,450)
Deferred outflows of resources related to OPEB liability		273,728
Total compensated absences		(40,676)
Revenue Note, Series 2021		(483,787)
Contract payable- City of Baton Rouge		(205,600)
Net position at December 31, 2025 - Governmental Activities		<u><u>\$ 11,864,783</u></u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Adjustments	Governmental Activities Statement of Activities
Expenditures/expenses:			
Current: Tourism			
Salaries and commissions	\$ 1,983,070	\$ 4,154	\$ 1,987,224
Payroll taxes and benefits	724,189	50,432	774,621
Advertising and promotion	2,626,014	-	2,626,014
Trade shows and FAM/Site visits	151,959	-	151,959
Special promotions	913,402	-	913,402
General and administrative	1,024,596	-	1,024,596
City tax rebate	151,273	-	151,273
Depreciation expense	-	80,418	80,418
Debt service:			
Interest expense	35,608	-	35,608
Principal retirement	46,800	(46,800)	-
Capital outlay	1,133,400	(1,133,400)	-
Total expenditures/expenses	<u>8,790,311</u>	<u>(1,045,196)</u>	<u>7,745,115</u>
General revenues:			
Tax revenue	7,422,116	-	7,422,116
Interest income	405,056	-	405,056
Grant revenue	100,000	-	100,000
Total general revenues	<u>7,927,172</u>	<u>-</u>	<u>7,927,172</u>
Excess of revenues over expenditures/ change in net position	<u>(863,139)</u>	<u>1,045,196</u>	<u>182,057</u>
Net changes in fund balance/net position	(863,139)	1,045,196	182,057
Fund balance/net position			
Beginning of year	11,342,723	340,003	11,682,726
End of year	<u>\$ 10,479,584</u>	<u>\$ 1,385,199</u>	<u>\$ 11,864,783</u>

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balances \$ (863,139)

The change in net position reported for governmental activities in the statement of activities is different because of:

Capital assets:

Capital assets acquired for the year ended December 31, 2025	1,136,408	
Depreciation expense for year ended December 31, 2025	(80,418)	
Loss on disposal of assets	<u>(3,008)</u>	1,052,982

Total other post-employment benefit obligation change and associated deferrals (50,432)

Total change in compensated absences (4,154)

Long Term Debt:

Principal portion of debt service payments	<u>46,800</u>	
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Change in net position \$ 182,057

The accompanying notes are an integral part of this statement.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

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

Visit Baton Rouge formed VBR-232 Lafayette, Inc., (VBR-232) a nonprofit public entity, on June 3, 2025, to assist in raising additional capital to finance and refinance the acquisition, renovation, improvement, equipping, and operation of the historic building located at 232 Lafayette Street, Baton Rouge, Louisiana, which will serve as VBR's headquarters. The entity will allow VBR to apply for, and obtain State Historic Tax Credits (SHTC's) in connection with the project, and to utilize the proceeds thereof for all lawful purposes including prepayment of the bonds. VBR-232 Lafayette, Inc. had no activity during the fiscal year 2025.

Reporting Entity

Governmental Accounting Standards Board (GASB) Codification Section 2100, establishes criteria for determining the governmental reporting entity and component units that should be included within a reporting entity. Under provisions of this Statement, VBR is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB, fiscally independent means that VBR may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. VBR notes that VBR-232 is considered a component unit, however there was no activity during the year, defined by the standards as other legally separate organizations for which the elected VBR members are financially accountable. There are no other primary governments with which VBR has a significant relationship. VBR is not a component unit of any other entity.

Allowance for Uncollectible Accounts

Allowance for uncollectible accounts is established based on prior experience and management's assessment of collectability. Management believes all accounts are collectible at December 31, 2025.

Basis of Presentation and Accounting

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

Governmental Fund Types:

VBR reports the following governmental funds as major funds:

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

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation and Accounting (continued)

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

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

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

Fund Financial Statements (FFS): The fund financial statements provide information about VBR's general fund and special revenue fund. As a governmental fund type, the general fund and special revenue fund statements' measurement focus is on the flow of current financial resources, and the modified accrual basis of accounting is used. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

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

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

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

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

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

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

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

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation and Accounting (continued)

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

Net Position

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

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

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

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

Deferred Outflows/Inflows of Resources

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

Estimates

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

Budgets and Budgetary Accounting

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

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Compensated Absences

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

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

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

Capital Assets

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

Construction in progress represents costs incurred for capital asset construction projects that are not completed as of year-end. Construction in progress is capitalized as part of capital assets and is not depreciated until the related asset is placed in service, at which time the accumulated costs are reclassified to the appropriate capital asset category and depreciation commences.

Prepaid Items

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

Unearned Revenue

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

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Current Year Adoption of New Accounting Standard

Visit Baton Rouge adopted Governmental Accounting Standards Board (GASB) Statement No. 102, "*Certain Risk Disclosures*." This Statement clarifies and establishes guidance for the disclosure of concentrations and certain risks that could have a significant impact on a government's financial position or results of operations. The adoption of this Statement did not result in a change to the Government's financial position or results of operations, as it relates solely to financial statement disclosures.

2. **BOARD MEMBER COMPENSATION**

The Board Members of VBR did not receive any compensation during 2025.

3. **CASH AND INVESTMENTS**

Deposits:

Custodial credit risk is the risk that in the event of a financial institution failure, VBR's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. VBR had no custodial credit risk as of December 31, 2025.

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

Investments:

The \$8,403,331 in investments, which are committed by the Board, is invested in LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955. VBR does not have a formal investment policy addressing credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (continued)

Investments: (continued)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 70 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 31 days as of December 31, 2025.
- Foreign currency risk: Not applicable.

LAMP values its investments at fair value based on quoted market values. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares which approximates net asset value (NAV).

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

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

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

4. CAPITAL ASSETS

	2025			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 623,786	\$ -	\$ -	\$ 623,786
Construction in progress	89,052	1,018,454	-	1,107,506
Total capital assets, not being Depreciated	<u>712,838</u>	<u>1,018,454</u>	<u>-</u>	<u>1,731,292</u>
Capital assets, being depreciated:				
Equipment, software, and automobile	478,472	117,954	(34,167)	562,259
Building	<u>1,470,290</u>	<u>-</u>	<u>-</u>	<u>1,470,290</u>
Total capital assets, being depreciated	<u>1,948,762</u>	<u>117,954</u>	<u>(34,167)</u>	<u>2,032,549</u>
Total capital assets	<u>2,661,600</u>	<u>1,136,408</u>	<u>(34,167)</u>	<u>3,763,841</u>
Less: Accumulated Depreciation	<u>942,861</u>	<u>80,418</u>	<u>(31,159)</u>	<u>992,120</u>
Net Capital Assets	<u>\$ 1,718,739</u>			<u>\$ 2,771,721</u>

Construction in Progress includes the purchase of the new Headquarters building along with the preliminary renovations design costs to renovate the historic building.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

5. **COMMITTED FUND BALANCE**

The board has committed \$8,403,331 of fund balance for special projects, operations, OPEB L/T retirement and building repairs. Separate accounts have been established to hold assets earmarked for these committed purposes.

A summary of these accounts is as follows:

	2025			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
LAMP – Special Project Account	\$ 3,623,611	\$ 159,651	\$ -	\$ 3,783,262
LAMP – Contingency Fund	2,744,992	120,941	-	2,865,933
LAMP – OPEB L/T Retirement	170,656	7,519	-	178,175
LAMP – Building Improvements	<u>2,311,434</u>	<u>72,027</u>	<u>(807,500)</u>	<u>1,575,961</u>
	<u>\$ 8,850,693</u>	<u>\$ 360,138</u>	<u>\$ (807,500)</u>	<u>\$ 8,403,331</u>

6. **RETIREMENT PLAN**

VBR offers its employees participation in a 457 deferred compensation retirement plan for health care and insurance benefits for its retirees. The contribution percentage was 10% of each eligible employee’s salary, effective September 1, 2021. In order to be eligible under the 457 Deferred Compensation Retirement Plan, the employee must have completed 40 hours of service and 60 day probationary period. Employees are 100% vested at the time of eligibility. VBR contributed \$188,338 for the year ended December 31, 2025. Effective January 1, 2013, part-time employees were no longer covered under the Plan.

7. **POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

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

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

Employees covered by benefit terms – The December 31, 2025 total OPEB liability was determined using the December 31, 2025 (valuation date) actuarial valuation that included the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>19</u>
	<u>22</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

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

Total OPEB Liability

VBR’s total OPEB liability of \$750,737, of which approximately \$17,000 is due in 2026, was measured as of December 31, 2025 and was determined by an actuarial valuation as of the valuation date.

Actuarial Assumptions and other inputs – The total OPEB liability as of December 31, 2025 was based on the valuation date using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%										
Salary increases	3.0%, including inflation										
Discount rate	4.08% annually (Beginning of Year to Determine ADC) 4.83%, annually (As of End of Year Measurement Date)										
Healthcare cost trend rates	5% annually to a maximum of \$800 per month										
Turnover	Age specific table with an average of 10% when applied to the active census										
	<table><thead><tr><th><u>Age</u></th><th><u>Rate of Turnover</u></th></tr></thead><tbody><tr><td>15 to 25</td><td>20%</td></tr><tr><td>26 to 40</td><td>20%</td></tr><tr><td>41 to 54</td><td>8%</td></tr><tr><td>55 and over</td><td>6%</td></tr></tbody></table>	<u>Age</u>	<u>Rate of Turnover</u>	15 to 25	20%	26 to 40	20%	41 to 54	8%	55 and over	6%
<u>Age</u>	<u>Rate of Turnover</u>										
15 to 25	20%										
26 to 40	20%										
41 to 54	8%										
55 and over	6%										
Retirement age	Age 60 and attainment of 15 years of service										

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2025, the end of the applicable measurement period.

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

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2025.

Changes in the Total OPEB Liability

Balance at December 31, 2024	\$ 746,098
Changes for the year:	
Service cost	12,156
Interest	30,624
Difference between expected and actual experience	30,642
Changes in assumptions	(53,319)
Benefit payments	(15,464)
Net changes	<u>4,639</u>
Balance at December 31, 2025	<u>\$ 750,737</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

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

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Entity, as well as what the Visit Baton Rouge’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.38%) or 1-percentage-point higher (5.38%) than the current discount rate:

	1.0% Decrease (3.83%)	Current Discount Rate (4.83%)	1.0% Increase (5.83%)
Total OPEB liability	\$ 831,639	\$ 750,737	\$ 682,352

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

	1.0% Decrease	Current	1.0% Increase
Healthcare Trend	\$ 742,859	\$ 750,737	\$ 756,993

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

For the year ended December 31, 2025, Visit Baton Rouge recognized OPEB expense of \$65,896. At December 31, 2025, Visit Baton Rouge reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,566	\$ 32,792
Changes in assumptions	243,162	146,658
Total	<u>\$ 273,728</u>	<u>\$ 179,450</u>

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

Years ending December 31:	
2026	\$ 23,116
2027	23,114
2028	11,153
2029	32,970
2030	1,648
Thereafter	2,277
	<u>\$ 94,278</u>

8. **RECEIVABLES**

General Fund Receivables as of December 31, 2025 consisted of the following:

Hotel-Motel Taxes Receivable	\$ 818,473
Other Receivables	10,746
	<u>\$ 829,219</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

9. **CONTRACT PAYABLE**

On September 21, 2007, VBR entered into an intergovernmental contract with the City of Baton Rouge, Louisiana to borrow \$1,000,000 for the purpose of providing funding for the improvement, renovation and equipping of the new headquarters of VBR. In 2008, VBR drew down \$750,000 of the \$1,000,000 available for this purpose. The amount borrowed is due in monthly payments amortized over the life of the contract, bearing interest at the Securities Industry and Financial Markets Association (SIFMA) rate plus 1.2%. The interest rate at December 31, 2025 was 4.96%. Principal repayments during 2025 were \$46,800. This contract ends December 21, 2029. The contract is secured by and payable from the lawful and available funds of VBR. The outstanding balance at December 31, 2025 was \$205,600.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 49,200	\$ 9,079	\$ 58,279
2027	49,800	6,635	56,435
2028	55,900	4,041	59,941
2029	50,700	1,235	51,935
	<u>\$ 205,600</u>	<u>\$ 20,990</u>	<u>\$ 226,590</u>

10. **COMPENSATED ABSENCES**

Compensated absences at December 31, 2025:

<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 36,522	\$ 4,154	\$ 40,676	\$ 3,000

11. **REVENUE NOTE**

On January 29, 2021, VBR signed a Revenue Note, Series 2021, in a total agreement principal amount not to exceed \$2,000,000, in which VBR borrowed approximately \$480,000. The interest rate of the note is prime rate plus one half of one percent (0.50%) provided the interest rate is not less than 3.75% and shall never be greater than 6.00%. In November 2023, the note was amended to extend the interest only date to January 29, 2031. The maturity date for the financial scheduled payment was extended to January 29, 2031. The contract is secured by and payable from the Pledged revenues on the intergovernmental contract with the City of Baton Rouge as noted in Note 9. The interest rate as of December 31, 2025 was 6.00%. The total interest expense paid at December 31, 2025 was \$26,640.

The following is a summary of the changes in the revenue note for the year ended December 31, 2025.

	2025			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Revenue Note, Series 2021	\$ 483,787	\$ -	\$ -	\$ 483,787
	<u>\$ 483,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483,787</u>

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

12. COMMITMENTS

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

On February 6, 2026, Visit Baton Rouge entered a cash sale for the property of 232 Lafayette Street Baton Rouge, Louisiana to be used as the new Visit Baton Rouge Headquarters and Visitor Center in the amount of \$850,000. Visit Baton Rouge has received approval from the Bond Commission to borrow up to \$7 million at an interest rate not to exceed 6 percent and a term less than 20 years. The project is in the early stages of development and VBR signed a contract on April 1, 2025 with an architect to help with the design, bidding coordination, and contract administration with a preliminary budget for construction of \$4,600,000. VBR will use the proceeds from the sale of the building and the State Historic Tax Credits to offset the cost of construction.

13. COOPERATIVE ENDEAVOR AGREEMENTS

Effective April 25, 2017 and June 30, 2017, VBR entered into cooperative endeavor agreements with certain Cities in East Baton Rouge Parish for hotel/motel room tax collections in order to support the City's economic development efforts relating to travel and tourism in the Cities and Parish. The agreements are for twenty-five (25) years commencing on the effective date. The terms of the agreements state that VBR will dedicate part of their room tax collections received from the City of Baton Rouge to surrounding areas of the Cities based on the monthly occupancy rate calculated by the City of Baton Rouge. VBR will pay to the Cities a sum equal to the revenue actually received by VBR from three percent (3%) (Out of a total four (4%)) of VBR's lodging tax levy attributable to taxable entities located within the corporate limits of the Cities. For the year ended December 31, 2025, VBR paid \$151,273 in city tax rebates to the participating Cities.

VBR entered into a cooperative endeavor agreement with the Civic Collaborative Foundation, a Louisiana nonprofit organization, effective upon execution in December 2025, to support tourism promotion and large-scale entertainment initiatives through participation in the Baton Rouge Entertainment Fund. Under the agreement, the Foundation serves as manager of the Entertainment Fund and is responsible for administering funds, engaging consultants, and delivering specified benefits consistent with the Authority's governmental mission. Pursuant to the agreement, the Authority is committed to provide funding through December 31, 2029, subject to the terms of the agreement. Required funding consists of periodic payments totaling \$450,000 over the term of the agreement. In addition, the Authority committed to provide special sponsorship funding totaling \$250,000 in connection with two specified entertainment events to be held in 2026, subject to execution and approval of related sponsorship agreements and receipt of commensurate deliverables and benefits.

VBR entered into a cooperative endeavor agreement with SportsBR, Inc., a Louisiana nonprofit organization, effective in 2025, under which VBR was reimbursed for certain sporting events intended to promote tourism and economic development in East Baton Rouge Parish. Pursuant to the agreement, SportsBR received \$100,000 of state funding from the East Baton Rouge Parish Enhancement Fund, which was transferred to VBR and spent during the fiscal year in connection with advertising, supporting or promotion of local athletic facilities, sporting activities, or sporting events attractive to visitors to East Baton Rouge Parish.

VISIT BATON ROUGE

NOTES TO FINANCIAL STATEMENTS

14. TAX REVENUES ABATED

Tax abatements for VBR consist of those for hotel-motel occupancy taxes that were approved by the City of Baton Rouge – Parish of East Baton Rouge (City Parish). The City-Parish’s Metro-Council considers tax abatement agreements on an individual basis. These abatements are permissible in accordance with Louisiana Revised Statutes Chapter 27 of Title 33. These abatements are provided through the use of Tax Increment Financing (TIF) whereby separate legal entities (districts) are formed for the purpose of governing the use of tax revenue generated within the district. For the fiscal year ending December 31, 2025, there was approximately \$355,000 in tax abatements related to the use of TIFs.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the financial statements that were available to be issued, April 23, 2026, and determined that the following disclosure is necessary.

VBR closed its existing Revenue Note, Series 2021 (note 11) with its financial institution on January 29, 2026, and repaid the outstanding balance. The line of credit was not renewed and is no longer available for future borrowings.

VBR amended the Visit Baton Rouge Retired Employee Insurance Benefit Plan effective January 1, 2026 to provide (i) to provide that a Retired Employee with five years of accumulated service as the Employer’s President & CEO and 60 years of age is eligible for vision, dental and long term care insurance and (ii) to make a number of non-substantive typographical edits.

REQUIRED SUPPLEMENTAL INFORMATION

**VISIT BATON ROUGE
SCHEDULES OF FUNDING PROGRESS AND
EMPLOYER CONTRIBUTIONS FOR OTHER POST- EMPLOYMENT BENEFIT PLAN
YEAR ENDED DECEMBER 31, 2025**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Measurement date	Service Cost	Interest	Difference between actual and expected experience	Changes of benefits	Changes of assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered-employee payroll	Total OPEB liability as a percentage of covered-employee payroll
12/31/25	12/31/25	\$ 12,156	\$ 30,624	\$ 30,642	\$ -	\$ (53,319)	\$ (15,464)	\$ 4,639	\$ 746,098	\$ 750,737	\$ 1,755,000	42.78%
12/31/24	12/31/24	6,859	26,297	-	-	(80,749)	(12,093)	(59,686)	805,784	746,098	1,791,239	41.65%
12/31/23	12/31/23	6,613	22,298	(66,422)	-	255,922	(10,755)	207,656	598,128	805,784	938,000	85.90%
12/31/22	12/31/22	29,296	15,026	1,193	-	(156,817)	(5,351)	(116,653)	714,780	598,128	1,064,177	56.21%
12/31/21	12/31/21	17,337	10,699	(13,992)	176,661	31,775	(3,706)	218,774	496,006	714,780	1,033,182	69.18%
12/31/20	12/31/20	15,511	5,293	10,200	-	283,279	(3,706)	310,577	185,429	496,006	1,125,500	44.07%
12/31/19	12/31/19	3,342	6,043	3,550	-	26,717	(3,244)	36,408	149,021	185,429	1,142,024	16.24%
12/31/18	12/31/18	3,670	5,177	2,520	-	(11,248)	(3,209)	(3,090)	152,111	149,021	1,098,100	13.57%

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

Notes to the Required Supplementary Information.

Benefit Changes.

No changes during the year ended December 31, 2025.

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

Changes of Assumptions.

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

Measurement Date	Discount Rate
12/31/2025	4.38%
12/31/2024	4.08%
12/31/2023	3.26%
12/31/2022	3.72%
12/31/2021	2.06%
12/31/2020	2.12%
12/31/2019	2.74%
12/31/2018	4.10%
12/31/2017	3.44%

The mortality rate table used for valuation used for years 2017 through 2019 was RP-2000 Table without projection with 50%/50% unisex blend, SOA RP-2014 Table for fiscal years ended December 31, 2022, 2021, and 2020, then switched to SOA RPH-2014 Table used for fiscal years ended December 31, 2025 and 2024.

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

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

VISIT BATON ROUGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Tax revenue	\$ 7,113,805	\$ 7,400,420	\$ 7,422,116	\$ 21,696
Interest income	285,000	404,800	405,056	256
Grant Revenue	-	100,000	100,000	-
Total revenues	<u>7,398,805</u>	<u>7,905,220</u>	<u>7,927,172</u>	<u>21,952</u>
<u>EXPENDITURES</u>				
Current: Tourism				
Salaries and commissions	1,970,545	1,998,904	1,983,070	15,834
Payroll taxes and benefits	715,672	723,672	724,189	(517)
Advertising and promotion	2,724,032	2,647,117	2,626,014	21,103
Trade shows and FAM/Site visits	310,530	324,545	151,959	172,586
Special promotions	845,800	853,861	913,402	(59,541)
Allocation of occupancy tax	170,000	170,000	151,273	18,727
General and administrative	1,083,161	1,036,170	1,024,596	11,574
Debt service:				
Interest expense	156,384	41,000	35,608	5,392
Principal retirement	198,672	46,900	46,800	100
Capital outlay	1,591,887	1,135,160	1,133,400	1,760
Total expenditures	<u>9,766,683</u>	<u>8,977,329</u>	<u>8,790,311</u>	<u>187,018</u>
<u>EXCESS OF REVENUES</u>				
<u>(UNDER) OVER EXPENDITURES</u>	<u>(2,367,878)</u>	<u>(1,072,109)</u>	<u>(863,139)</u>	<u>208,970</u>
<u>NET CHANGES IN FUND BALANCE</u>				
	<u>(2,367,878)</u>	<u>(1,072,109)</u>	<u>(863,139)</u>	<u>208,970</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>10,879,893</u>	<u>10,879,893</u>	<u>11,342,723</u>	<u>462,830</u>
End of year	<u>\$ 8,512,015</u>	<u>\$ 9,807,784</u>	<u>\$ 10,479,584</u>	<u>\$ 671,800</u>

VISIT BATON ROUGE
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2025

Agency Head Name Jill Kidder

<u>Purpose</u>	<u>Amount</u>
Salary, including incentive and bonus	\$ 213,837
Benefits-insurance	33,643
Defined contribution retirement plan	26,384
Car allowance	18,000
Cell phone	1,800
Dues	5,040
Registration fees	2,873
Conference travel	3,917
Special meals	3,178
Other	296
Total	<u>\$ 308,968</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Visit Baton Rouge (VBR) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise VBR's basic financial statements, and have issued our report thereon dated April 23, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
April 23, 2026



Current Year Summary of Audit Results

A. *Summary of Auditors' Results*

Financial Statements

Type of auditors' report issued: *Unmodified*

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

Noncompliance material to financial statements noted? yes no

B. *Findings – Financial Statement Audit*

None.

Prior Year Summary of Audit Results

A. *Findings – Financial Statement Audit*

- None in the prior year.

EISNERAMPER

VISIT BATON ROUGE

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE
AND CONTROL AREAS**

FOR THE YEAR ENDED DECEMBER 31, 2025



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

To: Board of Visit Baton Rouge and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of Visit Baton Rouge for the fiscal period January 1, 2025 through December 31, 2025. Visit Baton Rouge's management is responsible for those C/C areas identified in the SAUPs.

Visit Baton Rouge has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Visit Baton Rouge to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of Visit Baton Rouge for the fiscal period January 1, 2025 through December 31, 2025. 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 Visit Baton Rouge and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
April 23, 2026

VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *“no exception noted”* or for step 13 *“we performed the procedure and discussed the results with management”*. If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

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

No exception noted.

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

No exception noted.

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

No exception noted for (1) and (4); (2) and (3) are n/a due to not being required by debt held by VBR.

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

No exception noted.

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

No exception noted.

2) Board or Finance Committee

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

- i. Observe whether 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.

No exception noted.

- ii. 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

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

No exception noted.

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

N/A – no findings in prior year.

3) Bank Reconciliations

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

A listing of bank accounts was provided and included a total of 6 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending October 31, 2025 for 4 bank accounts and the closest one to that date prior to closing of the account for the month January 31, 2025, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

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

No exception noted.

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

No exception noted.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected the only deposit site and performed the procedures below.

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

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

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

We randomly selected 2 deposit dates for each of the 1 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the deposits and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

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

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 location and performed the procedures below.

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

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

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

No exceptions noted.

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

No exception noted.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

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

No exception noted.

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

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

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

From the listing provided, we randomly selected 5 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

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

No exception noted.

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

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

We randomly selected 10 transactions, or all transactions if less than 10 from each statement and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified 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). No exceptions noted.

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

We selected the only employee that was terminated during the year. No exceptions noted.

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

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

8) Contracts

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

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

9) Payroll and Personnel

- A. 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.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

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

**VISIT BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2025**

Schedule A

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected the only employee terminated during the year and performed the specified procedures.

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

No exceptions noted.

10) Ethics

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

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

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No exception noted.

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

No exception noted.

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

No exception noted.

11) Debt Service

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

No exception noted.

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

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures.

12) Fraud Notice

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

No exception noted.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:12671. The requirements are as follows:

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

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No exceptions noted.

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

No exception noted.

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

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

No exception noted.

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

No exception noted.

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

No exceptions noted.

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

No exceptions noted.

- v. Amount of time it took to resolve each complaint.

No exceptions noted.

VISIT BATON ROUGE

REPORT TO MANAGEMENT

DECEMBER 31, 2025

April 23, 2026

Visit Baton Rouge
Baton Rouge, Louisiana

We have audited the financial statements of Visit Baton Rouge (VBR) for the year ended December 31, 2025, and have issued our report thereon. As part of our audit, we evaluated the system of internal accounting control to the extent we considered necessary as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VBR's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

During the course of our audit, management made us aware of misappropriation that they identified and reported to the Legislative Auditor. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated April 23, 2026, on the financial statements of VBR and VBR's internal control over financial reporting.

2025-1 **Theft of Public Assets**

Condition: Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An instance, or likely instances, of misappropriation were identified by VBR and reported to the Legislative Auditor which are presented in attachment A to this letter.

Recommendation: We recommend VBR continue their prosecution of these matters with the appropriate authorities.

View of Responsible Official:

VBR management removed the individual's access to VBR and ensured the individual no longer provides services to the Organization. Management filed a police report and reported the matter to the Louisiana Legislative Auditor in accordance with state requirements. In addition, management eliminated petty cash and no longer maintains petty cash funds to reduce the risk of future occurrences. Portable Equipment will be locked in a storage cabinet while not being used.

2025-2

Payroll Phishing

Condition: Louisiana Revised Statute 14:67 defines theft as misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An instance, or likely instances, of misappropriation were identified by VBR and reported to the Legislative Auditor which are presented in attachment A to this letter.

Recommendation: We recommend VBR continue their prosecution of these matters with the appropriate authorities.

View of Responsible Official:

VBR management has implemented changes to direct deposits that require independent verification (in-person paper form or through secure payroll system). Also, employees will continue to receive system-generated notifications for any changes to their banking information.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank VBR staff for their cooperation with us during the performance of the audit.

This report is intended solely for the information and use of VBR and its management and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

EISNERAMPER LLP

EisnerAmper LLP



The following 18 elements of the instance of misappropriation is presented below:

	Element of Finding	Theft of Public Funds and/or Equipment 2025-001	Payroll Phishing 2025-002
1	A general statement describing the fraud or misappropriation that occurred.	A misappropriation of public funds related to the petty cash fund, which is secured in a locked cash box, was missing. Also, camera equipment (a Canon camera and related accessories) went missing and appeared to be stolen from a camera bag stored in the office.	A fraudulent direct deposit change for an employee was identified. As a result, their payroll payments for 2 pay periods in March were deposited into an unauthorized account. The incident stemmed from a "phishing" email in which a request to update banking information was processed by VBR administration.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Petty cash and theft of equipment	Payroll Funds
3	The amount of funds or approximate value of assets involved.	\$3,321	\$5,683
4	The department or office in which the fraud or misappropriation occurred.	Visit Baton Rouge	Visit Baton Rouge
5	The period of time over which the fraud or misappropriation occurred.	FY 2025 and FY 2026	FY 2026
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	External Party	External Party
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Janitorial Services	Unknown
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	N/A	N/A
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes	Yes
11	What is the status of the investigation at the date of the auditor's/accountant's report?	Still in investigation	Still in investigation
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	N/A	N/A
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	N/A	N/A
14	Has restitution been made or has an insurance claim been filed?	No	No
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes	Yes
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes	Yes
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	N/A	N/A
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	Management has discontinued petty cash on site and all Visit Baton Rouge equipment must be locked in a specified location going forward.	Management has required independent verification for any direct deposit changes (in-person paper form or through secure payroll portal only). Employees will continue to receive system-generated notifications for any changes to their information.