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LINCOLN PARISH CONVENTION
AND VISITORS COMMISSION
RUSTON, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

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LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

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Hulseley, Harwood & Hulseley

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lincoln Parish Convention and Visitors Commission
Ruston, Louisiana

We have audited the general purpose financial statements of the Lincoln Parish Convention and Visitors Commission, as of December 31, 1995, and for the two years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Convention and Visitors Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, "Government Auditing Standards", issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Parish Convention and Visitors Commission, as of December 31, 1995, and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles.

HULSEY, HARWOOD AND HULSEY, CPA'S
A Professional Accounting Corporation

June 5, 1996

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNTS GROUPS
DECEMBER 31, 1995

	<u>Governmental Fund Types</u>	<u>Enterprise Fund Type</u>	<u>Account Groups</u>	
	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
Assets:				
Cash and cash equivalents	\$ 31,027	\$ 178,657	\$ -	\$ 209,684
Accounts receivable	17,044	38,409	-	55,453
Equipment	<u>-</u>	<u>-</u>	<u>10,220</u>	<u>10,220</u>
TOTAL ASSETS	<u>\$ 48,071</u>	<u>\$ 217,066</u>	<u>\$ 10,220</u>	<u>\$ 275,357</u>
Liabilities and Fund Equity:				
Accounts payable	<u>\$ 5,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,681</u>
Total liabilities	<u>5,681</u>	<u>-</u>	<u>-</u>	<u>5,681</u>
Fund Equity:				
Fund balance	<u>42,390</u>	<u>217,066</u>	<u>10,220</u>	<u>269,676</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 48,071</u>	<u>\$ 217,066</u>	<u>\$ 10,220</u>	<u>\$ 275,357</u>

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Governmental</u> <u>Fund Type</u>	<u>Enterprise</u> <u>Fund Type</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u> <u>Fund</u>	<u>Enterprise</u> <u>Fund</u>	
Revenues:			
Enterprise revenue	\$ -	\$ 109,932	\$ 109,932
Lodging tax collections	126,064	-	126,064
Interest income	486	3,921	4,407
Other income	<u>519</u>	<u>-</u>	<u>519</u>
Total revenues	<u>127,069</u>	<u>113,853</u>	<u>240,922</u>
Expenditures:			
Advertising	2,465	-	2,465
Auto - gas	100	-	100
Auto - mileage	1,369	-	1,369
Bank charges	40	-	40
Cash advance	288	-	288
Dues and subscriptions	1,735	-	1,735
Equipment purchases	475	-	475
FAM tours	348	-	348
Meals and entertainment	977	-	977
Office expenses	284	-	284
Office printing	90	-	90
Office supplies	386	-	386
Operating expenses	43,729	-	43,729
Parish park contributions	42,021	-	42,021
Photography	140	-	140
Postage	947	-	947
Printing	5,141	-	5,141
Promotional items	912	-	912
Registration fees	130	-	130
Telephone	567	-	567
Trade show expenses	1,298	-	1,298
Travel - lodging	<u>2,562</u>	<u>-</u>	<u>2,562</u>
Total expenditures	<u>106,004</u>	<u>-</u>	<u>106,004</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,065	113,853	134,918
FUND BALANCES, DECEMBER 31, 1994	<u>21,325</u>	<u>103,213</u>	<u>124,538</u>
FUND BALANCES, DECEMBER 31, 1995	<u>\$ 42,390</u>	<u>\$ 217,066</u>	<u>\$ 259,456</u>

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1995

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Lodging tax collections	\$ 111,804	\$ 126,064	\$ 14,260
Interest income	322	486	164
Other income	<u>-</u>	<u>519</u>	<u>519</u>
Total revenues	<u>112,126</u>	<u>127,069</u>	<u>14,943</u>
Expenditures:			
Advertising	6,935	2,465	4,470
Auto - gas	100	100	-
Auto - mileage	2,500	1,369	1,131
Bank charges	100	40	60
Cash advance	300	288	12
Dues and subscriptions	2,325	1,735	590
Equipment purchases	856	475	381
FAM tours	700	348	352
Meals and entertainment	600	977	(377)
Office expenses	400	284	116
Office printing	150	90	60
Office supplies	400	386	14
Operating expenses	47,312	43,729	3,583
Parish park contributions	37,268	42,021	(4,753)
Photography	200	140	60
Postage	1,000	947	53
Printing	3,858	5,141	(1,283)
Promotional items	800	912	(112)
Registration fees	1,400	130	1,270
Telephone	600	567	33
Trade show expenses	1,200	1,298	(98)
Travel - lodging	<u>3,000</u>	<u>2,562</u>	<u>438</u>
Total expenditures	<u>112,004</u>	<u>106,004</u>	<u>6,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 122</u>	21,065	<u>\$ 20,943</u>
FUND BALANCES, DECEMBER 31, 1994		<u>21,325</u>	
FUND BALANCES, DECEMBER 31, 1995		<u>\$ 42,390</u>	

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
DECEMBER 31, 1995

Cash flows from operating activities:	
Net increase (decrease) in fund balance	\$ 113,853
Changes in operating assets:	
(Increase) decrease in accounts receivable	<u>(19,565)</u>
Net cash provided by operating activities	<u>(19,565)</u>
Net increase in cash	94,288
Cash, beginning of period	<u>84,369</u>
Cash, end of period	<u>\$ 178,657</u>

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1994

	<u>Governmental Fund Type</u>	<u>Enterprise Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General Fund</u>	<u>Enterprise Fund</u>	
Revenues:			
Enterprise revenue	\$ -	\$ 102,373	\$ 102,373
Lodging tax collections	116,669	-	116,669
Interest income	241	840	1,081
Other income	<u>495</u>	<u>-</u>	<u>495</u>
Total revenues	<u>117,405</u>	<u>103,213</u>	<u>220,618</u>
Expenditures:			
Advertising and publicity	11,031	-	11,031
Convention and tourism	3,377	-	3,377
Dues and subscriptions	647	-	647
Equipment purchases	1,069	-	1,069
Legal and Accounting	1,750	-	1,750
Miscellaneous	2,869	-	2,869
Operating expenses	44,861	-	44,861
Parish park contributions	38,884	-	38,884
Pamphlets and printed items	2,867	-	2,867
Tourism - special project	3,041	-	3,041
Travel	<u>3,242</u>	<u>-</u>	<u>3,242</u>
Total expenditures	<u>113,638</u>	<u>-</u>	<u>113,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,767	103,213	106,980
FUND BALANCES, DECEMBER 31, 1993	<u>17,558</u>	<u>-</u>	<u>17,558</u>
FUND BALANCES, DECEMBER 31, 1994	<u>\$ 21,325</u>	<u>\$ 103,213</u>	<u>\$ 124,538</u>

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1994

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Lodging tax collections	\$ 111,804	\$ 116,669	\$ 4,865
Interest income	322	241	(81)
Other income	-	495	495
Total revenues	<u>112,126</u>	<u>117,405</u>	<u>5,279</u>
Expenditures:			
Advertising and publicity	7,135	11,031	(3,896)
Convention and tourism	3,520	3,377	143
Dues and subscriptions	1,125	647	478
Education and training	1,250	-	1,250
Equipment purchases	1,200	1,069	131
Legal and accounting	1,750	1,750	-
Miscellaneous	452	2,869	(2,417)
Operating expenses	45,562	44,861	701
Parish park contributions	37,268	38,884	(1,616)
Pamphlets and printed items	4,558	2,867	1,691
Tourism - special project	2,284	3,041	(757)
Travel	5,900	3,242	2,658
Total expenditures	<u>112,004</u>	<u>113,638</u>	<u>(1,634)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 122</u>	3,767	<u>\$ 3,645</u>
FUND BALANCES, DECEMBER 31, 1993		<u>17,558</u>	
FUND BALANCES, DECEMBER 31, 1994		<u>\$ 21,325</u>	

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
DECEMBER 31, 1994

Cash flows from operating activities:	
Net increase (decrease) in fund balance	\$ 103,213
Changes in operating assets:	
(Increase) decrease in accounts receivable	<u>(18,844)</u>
Net cash provided by operating activities	<u>(18,844)</u>
Net increase in cash	84,369
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ 84,369</u>

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 1 - GENERAL INFORMATION

The Lincoln Parish Convention and Visitors Commission was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and non-profit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish. The accounting policies of the Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana is a component unit of the Lincoln Parish Police Jury, the governing body of the Parish and governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, or other governmental units that comprise the governmental reporting entity.

Fund Accounting

The accounts of the Lincoln Parish Convention and visitors Commission, Ruston, Louisiana are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Funds Types:

General Fund:

The General Fund is the general operating fund of the Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Enterprise Fund Type:

Enterprise Fund:

The Enterprise Fund is used for tourism purposes, including the promotion of fairs and festivals in Lincoln Parish, and for economic development purposes in Lincoln Parish as provided by Act 983 of the 1992 Regular Legislative Session.

Account Groups:

General Fixed Assets Account Group:

General Fixed Assets purchased are recorded as expenditures in the General Fund at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets account group.

Basis of Accounting

The records of the Lincoln Parish Convention and Visitors Commission Operating Fund are maintained on an accrual basis of accounting utilizing the following practices:

Revenues:

The Lincoln Parish Police Jury levies and collects a 3% hotel and motel tax on all hotel and motel revenue in the parish. After collection, these monies are entrusted to the commission subject to the restrictions described in Note 4. The Commission records the revenue on the accrual basis.

Substantially all other revenues are recorded when received.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Accounting

The Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana prepares an annual budget of revenues and expenditures in conformity with generally accepted accounting principles as applied to governmental units for approval by the Lincoln Parish Police Jury.

Unexpended budget balances lapse at year end. The Commission's Board of Commissioners has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted, or as amended by the Board.

Cash

Cash includes amounts in demand deposits and interest bearing accounts.

Vacation and Sick Leave

The Commission has no formal vacation or sick leave policy since it has no employees.

Fixed Assets

Fixed assets used in the Governmental Fund Types operations are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost, if historical cost is not available.

Memorandum Only - Total Columns

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operation in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
 RUSTON, LOUISIANA
 NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
 FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 3 - RECEIVABLES

The receivables of \$55,453 at December 31, 1995, are detailed as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Grants:			
State	\$ -	\$ 38,409	\$ 38,409
Motel tax	<u>17,044</u>	<u>-</u>	<u>17,044</u>
Total	<u>\$ 17,044</u>	<u>\$ 38,409</u>	<u>\$ 55,453</u>

NOTE 4 - DEDICATION OF REVENUES

The proceeds of the hotel and motel tax levied by the Lincoln Parish Police Jury and entrusted to the Commission are dedicated solely for the purpose of carrying on programs and activities designed to attract conventions and tourists to Lincoln Parish.

NOTE 5 - CASH

At year end, the carrying amount of the Board's deposits was \$209,684 and the bank balance was \$214,154. The bank balance is categorized as follows:

Amount insured by FDIC	<u>\$ 100,000</u>
Total collateralized	100,000
Bank balance	<u>214,154</u>
Under collateralized	<u>\$ 114,154</u>

Under state law, these deposits must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 6 - OPERATING AGENT

During 1994 and 1995 the Commission paid a monthly fee of \$3,943 to the Ruston-Lincoln Chamber of Commerce to compensate the Chamber for expenses incurred on behalf of the Commission. The Chamber provided administrative services to the Commission, as well as providing telephones, automobile expense, utilities, rent, office supplies and other minor expenses.

NOTE 7 - CHANGES IN GENERAL FIXED ASSET GROUP

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>12-31-93</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-94</u>
Equipment	\$ 8,676	\$ 1,069	\$ -	\$ 9,745
Totals	<u>\$ 8,676</u>	<u>\$ 1,069</u>	<u>\$ -</u>	<u>\$ 9,745</u>

	<u>Balance</u> <u>12-31-94</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-95</u>
Equipment	\$ 9,745	\$ 475	\$ -	\$ 10,220
Totals	<u>\$ 9,745</u>	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ 10,220</u>

NOTE 8 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Commission had no pending or threatened litigation as of December 31, 1995.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 9 - BUDGET/ACTUAL UNFAVORABLE VARIANCES

When comparing budget to actual amounts, the General Fund had variances of greater than 5% as follows:

	<u>1994</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 112,126	\$ 117,405	\$ 5,279
	<u>1995</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 112,126	\$ 127,069	\$ 14,943
Expenditures	112,004	106,004	6,000

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
COMPENSATION PAID TO COMMISSION MEMBERS
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

No direct compensation was paid to any member of the Board of Commissioners during the two years ended December 31, 1995 and 1994.



Hulsey, Harwood & Hulsey

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Lincoln Parish Convention and Visitors Commission
Ruston, Louisiana

We have audited the general purpose financial statements of the Lincoln Parish Convention and Visitors Commission, as of and for the two years ended December 31, 1995, and have issued our report thereon dated June 5, 1996.

We conducted our audit in accordance with generally accepted auditing standards and "Government Auditing Standards", issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements of the Lincoln Parish Convention and Visitors Commission, are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Lincoln Parish Convention and Visitors Commission for the two years ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion and not to provide assurance on the internal control structure.

The management of the Lincoln Parish Convention and Visitors Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Revenues/receipts
- Purchasing/disbursements
- Budgeting and budget reporting

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

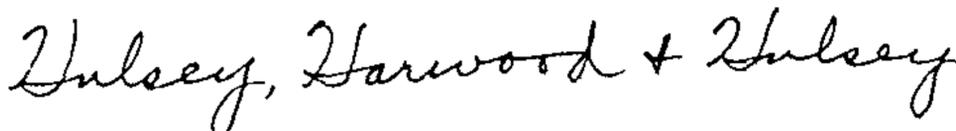
We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements for the Lincoln Parish Convention and Visitors Commission. The Schedule of Related Findings is on page 19-20 of this report.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described on the schedule of findings is a material weakness.

This report is intended for the information of the Lincoln Parish Convention and Visitors Commission, management, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

HULSEY, HARWOOD AND HULSEY, CPA'S
A Professional Accounting Corporation



June 5, 1996



Hulsey, Harwood & Hulsey

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Lincoln Parish Convention and Visitors Commission
Ruston, Louisiana

We have audited the general purpose financial statements of the Lincoln Parish Convention and Visitors Commission as of and for the two years ended December 31, 1995, and have issued our report thereon dated June 5, 1996.

We conducted our audit in accordance with generally accepted auditing standards, "Government Auditing Standards", issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Lincoln Parish Convention and Visitors Commission is the responsibility of the Commission's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, contracts, or grants, that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed no material instances of noncompliance. The findings of noncompliance can be found on page 19-20 of this report.

This report is intended for the information of the Lincoln Parish Convention and Visitors Commission, management, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

HULSEY, HARWOOD AND HULSEY, CPA'S
A Professional Accounting Corporation

Hulsey, Harwood + Hulsey
June 5, 1996

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

Finding No. 1:

During the audit, Hulsey, Harwood and Hulsey found that Lincoln Parish Convention and Visitors Commission had deposits in excess of federal deposit insurance and had no securities pledges as of December 31, 1995. The board was under secured \$5,891. Under state law, these deposits must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

Recommendation:

We recommend that the bank be notified to secure Lincoln Parish Convention and Visitors Commission's deposits in excess of federal deposit insurance.

Response:

The Commission's Enterprise Fund Account had securities of \$100,000 with FDIC as well as an additional \$100,000 as noted on the attached documents. According to information received from Henry Blake at Security First National Bank, the mentioned account is closely monitored every month and was actually over secured during the year 1995.

Finding No. 2:

Hulsey, Harwood and Hulsey has found that bank reconciliations have not been printed out each month. For example, the December 31, 1995 bank reconciliation could not be reproduced, however, the staff represented to us that the reconciliation had been prepared and not printed.

Recommendation:

We recommend that all bank reconciliations be prepared by the 20th day of the month following the close of the bank statement. We further recommend that a hard copy be kept of each month's reconciliation.

Response:

Prior to August, 1995, all bank reconciliations were completed by an outside CPA. During August, 1995, the duties performed by the outside CPA were brought in-house using the computer program QuickBooks. QuickBooks prompts the user to print out a reconciliation report each month. As of May, 1996, reconciliation reports are printed out and kept with the corresponding month's bank statement (see attached).

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS (Continued)
FOR THE TWO YEARS ENDED DECEMBER 31, 1995 AND 1994

Finding No. 3:

During the test of cash disbursements, Hulse, Harwood and Hulse noted that checks numbered 1656, 1720, 1777 and 1803, and their supporting documentation could not be found. This could result in questioned costs.

Recommendation:

We recommend that all invoices and check stubs be kept together in one folder either by vendor or by month paid.

Response:

Documentation and checks for check numbers 1656, 1720, 1777, 1803 were missing and could not be found during the employment of the current office manager/executive assistant. Any documentation not readily found in the appropriate files may have been moved during research done by the attorneys for the ongoing litigation. All invoices paid by the Commission before 1995 were filed by account and year, as of 1995, they are filed by vendor and year.

Finding No. 4:

During the audit, Hulse, Harwood and Hulse found that invoices are not being approved or canceled when paid. This resulted in an invoice being paid twice to Davis and Associates in the amount of \$2,674.65. This amount was refunded to the Commission.

Recommendation:

We recommend that all invoices be approved for payment and, when paid, canceled with the check number, check amount and date paid noted on invoice.

Response:

Documentation was not clear on the payment of the mentioned bill by the former office manager. As the payment and invoice crossed in the mail, the invoice was paid a second time by the present office manager/executive assistant. As of July, 1995, all invoices are reviewed and approved by the president of the Chamber of Commerce before being paid. The program, QuickBooks, currently being used for all bill payments contains a safety feature that prevents double payment of the same bill.