

**Houma Area Convention
and Visitors Bureau**

General Purpose Financial Statements
and Independent Auditor's Report
December 31, 2000

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 2000

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Bureau'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 Houma Area Convention and Visitors Bureau as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2001, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information Schedule of Expenditures - General Fund on page 13 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Houma Area Convention and Visitors Bureau. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.


April 30, 2001

FINANCIAL STATEMENTS SECTION

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Combined Balance Sheet-
All Fund Types and Account Group

December 31, 2000

	Governmental Fund Type General Fund	Fiduciary Fund Type Agency	Account Group General Fixed Assets	Total (Memorandum Only)
ASSETS				
Cash	\$ 377,474			\$ 377,474
Investments	191,658			191,658
Taxes receivable	93,406	\$ 5,716		99,122
Due from Terrebonne Parish Consolidated Government	22,117	7,373		29,490
Prepaid insurance	311			311
Fixed assets			\$ 898,858	898,858
Accumulated depreciation			(77,701)	(77,701)
Security deposits	75			75
TOTAL ASSETS	\$ 685,041	\$ 13,089	\$ 821,157	\$ 1,519,287
 LIABILITIES				
Accounts payable and accrued expenses	\$ 3,138			\$ 3,138
Due to Houma-Terrebonne Civic Center		\$ 13,089		13,089
Due to Terrebonne Parish Consolidated Government	6,600			6,600
Total liabilities	9,738	13,089		22,827
 FUND EQUITY				
Investment in general fixed assets			\$ 821,157	821,157
Fund balance - unreserved	675,303			675,303
Total fund equity	675,303		821,157	1,496,460
TOTAL LIABILITIES AND FUND EQUITY	\$ 685,041	\$ 13,089	\$ 821,157	\$ 1,519,287

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Statement of Revenues, Expenditures,
and Changes in Fund Balance-
Budget and Actual-Governmental Fund Type-
General Fund

For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes:			
Parish	\$ 258,250	\$ 271,461	\$ 13,211
State	225,500	241,973	16,473
Miscellaneous:			
Interest earned	32,500	33,374	874
Other	-	639	639
	516,250	547,447	31,197
EXPENDITURES			
Economic development and assistance:			
Personal services	135,700	135,828	128
Supplies and materials	14,400	23,524	9,124
Other services and charges	163,815	142,413	(21,402)
Repairs and maintenance	10,320	10,520	200
Capital expenditures	448,444	450,748	2,304
	772,679	763,033	(9,646)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (256,429)	(215,586)	\$ 40,843
FUND BALANCE			
Beginning of year		890,889	
End of year		\$ 675,303	

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Houma Area Convention and Visitors Bureau (the Bureau) was created and established by Terrebonne Parish Police Jury Ordinance No. 1977 on May 3, 1977, authorized by Act 19 of the Louisiana Legislature of 1975 (R.S. 33-4574-3574,3). The Bureau was formed for the purpose of promoting tourism within the Parish of Terrebonne. The Bureau is composed of nine members, known as directors, who are authorized to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within its jurisdiction. The Bureau may also sue and be sued, accept grants or donations of every type, and make capital improvements for the purpose of obtaining federal funds. However, the Bureau may not exercise any function that results in competition with local retail businesses or enterprises. The Bureau is funded by a 3% tax on the occupancy of hotel rooms, motel rooms, and overnight camping facilities located within the boundaries of Terrebonne Parish and taxes collected by the state on the Bureau's behalf.

The accounting and reporting policies of the Bureau conform to generally accepted accounting principles as applicable to governments. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Financial accountability by the consolidated government is determined on the basis of the following criteria:

1. Appointment of voting majority of governing board
2. Imposition of will
3. Financial benefit or burden
4. Fiscal dependence
5. Designation of management

Because the consolidated government appoints the governing board and can impose its will, the Houma Area Convention and Visitors Bureau was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

A. REPORTING ENTITY (Cont.)

The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Bureau has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

B. FUND ACCOUNTING

The accounting system is organized and operated on a fund basis where by a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The major fund categories are:

Governmental Funds

Governmental Funds are those through which governmental functions of the Bureau are financed. The acquisition, use and balances of the Bureau's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Bureau:

General Fund - The General Fund is the general operating fund of the Bureau. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Fiduciary Funds

Fiduciary funds account for assets held by the Bureau in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is the Fiduciary Fund of the Bureau:

Agency Fund – The Agency Fund is used by the Bureau to receive and transfer funds allocated to the Houma-Terrebonne Civic Center based on a 1% increase to the parish occupancy tax effective April 1, 1999.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Hotel/motel sales and use taxes are recorded as revenues in the month due. Parish tax revenues are collected by the Terrebonne Parish Sales and Use Tax Department, remitted to the Terrebonne Parish Consolidated Government, and subsequently sent to the Bureau. December taxes were remitted to the Terrebonne Parish Sales and Use Tax Department in January and paid to the Bureau in February. The state tax revenues are collected by the Treasurer of the State of Louisiana and remitted to the Bureau on a quarterly basis. Miscellaneous revenues are recorded as revenues when received in cash by the Bureau because they are generally not measurable until actually received.

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

D. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the Bureau's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended once during the year.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

E. BAD DEBTS

The financial statements of the Bureau contain no allowance for bad debts. Uncollectible amounts due for taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Bureau.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

F. CASH AND CASH EQUIVALENTS

The Bureau considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

G. INVESTMENTS

Investments are stated at cost, which approximates market.

H. GENERAL FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with measurement of financial position.

Depreciation of all fixed assets is computed on the straight-line basis. Estimated useful lives of property and equipment are as follows:

Office equipment	5 - 7 years
Automobiles	5 years
Building	39 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

I. COMPENSATED ABSENCES

Full-time employees may accrue up to thirty days of vacation time, which begins to accrue after one month of employment. No employee is eligible for any vacation time before the end of his or her first year of employment. Accumulated vacation is due to

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. COMPENSATED ABSENCES (Cont.)

the employee at the time of termination or death. Each full time employee receives ten days of sick leave per year; however, sick leave does not accumulate or vest. Full-time employees may be granted maternity leave of two weeks with pay and two weeks on half-pay provided such request is submitted in writing to the Executive Director.

The amount of accumulated vacation benefits was not significant at December 31, 2000.

J. ENCUMBRANCES

The Bureau does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

K. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Bureau primarily relate to fixed assets' useful lives.

L. MEMORANDUM ONLY - TOTAL COLUMNS

The total column on the combined financial statements is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column do not present financial position or results of operations in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 2 – DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state banks organized under Louisiana law or national banks having a branch in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The Bureau's deposits are categorized to give an indication of the level of risk assumed at December 31, 2000. The categories are as follows:

- Category 1 - Insured or collateralized with securities held by the Bureau or by its agent in the Bureau's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Bureau's name.
- Category 3 - Uncollateralized

Deposits, categorized by level of risk, are:

	Bank Balance	Category 1	Category 2	Category 3
Cash and cash equivalents	\$ 385,902	\$ 122,479	\$ 263,423	\$ -

The Bureau's deposits were not in excess of FDIC insurance limits and acceptable pledged securities at December 31, 2000.

Under state law, the Bureau may invest in United States bonds, treasury notes and bills, or certificates of deposit of state banks organized under Louisiana law and national banks having offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a nonprofit corporation formed by an initiative of the State treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At December 31, 2000, the Bureau holds investments consisting of certificates of deposits and deposits in LAMP.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

The Bureau's investments are categorized to give an indication of the level of risk assumed by the Bureau at December 31, 2000. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the Bureau or its agent in the Bureau's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Bureau's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the Bureau's name.

Investments, categorized by level of risk, are:

	Category			Fair Value	Cost
	1	2	3		
Certificates of Deposit	\$ 28,354	\$ -	\$ -	\$ 28,354	\$ 28,354

Investments with a cost of \$163,304 were on deposit with LAMP at December 31, 2000. This cost did not differ materially from the market value of the investments on that date. The investment with LAMP is not categorized in the three risk categories above provided by GASB Codification Section 150.164 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 2000

NOTE 3 – CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 2000	Additions	Retirements	Balance December 31, 2000
Automobiles	\$ 36,211	\$ 20,280	\$ -	\$ 56,491
Office furniture, fixtures, and equipment	51,050	68,010		119,060
Construction in progress	310,850	362,457	(673,307)	-
Building		673,307	-	673,307
Land	50,000	-		50,000
	448,111	1,124,054	(673,307)	898,858
Less accumulated depreciation	(48,628)	(29,073)	-	(77,701)
Totals	<u>\$ 399,483</u>	<u>\$1,094,981</u>	<u>\$ (673,307)</u>	<u>\$ 821,157</u>

NOTE 4 – COMPENSATION OF BOARD MEMBERS

As set forth in the Bureau's by-laws, the Board serves without compensation.

SUPPLEMENTAL INFORMATION

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Supplemental Information Schedule -
Schedule of Expenditures - General Fund
For the Year Ended December 31, 2000

ECONOMIC DEVELOPMENT AND ASSISTANCE

Personal Services

Salaries	\$ 116,732
Payroll taxes	9,255
Group insurance	9,841

135,828

Supplies and Materials

Office supplies	17,059
Postage	6,465

23,524

Other Services and Charges

Advertising	48,508
Travel and entertainment	11,556
Seminars and conventions	16,408
Special Events	13,867
Telephone	10,643
General insurance	9,550
Professional fees	6,131
Dues and subscriptions	6,063
Miscellaneous	7,854
Automobile	3,394
Equipment rental	2,361
Utilities	6,078

142,413

Repairs and Maintenance

10,520

Capital Expenditures

450,748

**TOTAL ECONOMIC DEVELOPMENT
AND ASSISTANCE**

\$ 763,033

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANT 3

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

To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Houma, Louisiana

We have audited the general purpose financial statements of the Houma Area Convention and Visitors Bureau (the Bureau), as of and for the year ended December 31, 2000, and have issued our report thereon dated April 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

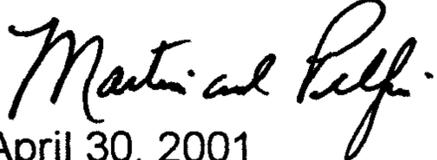
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal

To the Board of Commissioners
Houma Area Convention and Visitors Bureau
Houma, Louisiana

control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, management, the reporting entity, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.


April 30, 2001

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2000**

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Houma Area Convention and Visitors Bureau.
2. No reportable conditions were noted during the audit of the general purpose financial statements.
3. No instances of noncompliance material to the general purpose financial statements of the Houma Area Convention and Visitors Bureau were disclosed during the audit.
4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the general purpose financial statements of the Houma Area Convention and Visitors Bureau were disclosed during the audit.

Section III – Federal Award Findings and Questioned Costs

This section is not applicable.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2000

SECTION I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

SECTION II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

SECTION III – Management Letter

This section is not applicable.

**Houma Area Convention and Visitors Bureau
Terrebonne Parish Consolidated Government**

**Schedule of Prior Findings and Resolution Matters
For the Year Ended December 31, 2000**

Note: The prior findings all relate to the December 31, 1999 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

99-1

Condition: A violation of Louisiana state law due to the undercollateralization of deposits.

Recommendation: The Bureau should contact the institution and have securities pledged in amounts sufficient to fully collateralize deposits.

Status: Resolved. Based on the procedures performed in our audit of the Bureau's financial statements for the year ended December 31, 2000, we conclude that the Commission has fully collateralized its deposits as asserted.

99-2

Criteria: The Bureau failed to publish the minutes of a special meeting in its official journal.

Recommendation: The Bureau should take steps to ensure that minutes of all public meetings are published in its official journal.

Status: Resolved. Based on the procedures performed in our audit of the Bureau's financial statements for the year ended December 31, 2000, we conclude that the Commission has published the minutes of all public meetings in its official journal as asserted.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.