

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMERLY LIVINGSTON PARISH TOURIST COMMISSION)

REPORT ON AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS

DECEMBER 31, 2002

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COMPONENT UNIT FINANCIAL STATEMENTS



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March 24, 2003

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Parish Convention & Visitors
Bureau (Formerly Livingston Parish Tourist
Commission)
Albany, Louisiana

We have audited the accompanying component unit only financial statements of the Livingston Parish Convention & Visitors Bureau, a component unit of the State of Louisiana, as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the Livingston Parish Convention & Visitors Bureau, as of December 31, 2002, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 24, 2003 on our consideration of Livingston Parish Convention & Visitors 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.

Respectfully submitted,

Hannis T. Bourgeois, LLP

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMERLY LIVINGSTON PARISH TOURIST COMMISSION)**

COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS

DECEMBER 31, 2002

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>	
ASSETS	<u>General</u>	<u>General Fixed Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 4,178	\$ -	\$ 4,178	\$ 6,647
Investments	238,966	-	238,966	199,446
Due from Other Government	21,459	-	21,459	17,509
Fixed Assets	<u>-</u>	<u>191,704</u>	<u>191,704</u>	<u>191,704</u>
Total Assets	<u>\$ 264,603</u>	<u>\$ 191,704</u>	<u>\$ 456,307</u>	<u>\$ 415,306</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$ 1,856	\$ -	\$ 1,856	\$ 1,239
Payroll Liabilities	<u>1,073</u>	<u>-</u>	<u>1,073</u>	<u>1,013</u>
Total Liabilities	2,929	-	2,929	2,252
Fund Equity:				
Investments in General Fixed Assets	-	191,704	191,704	191,704
Fund Balance:				
Unreserved - Undesignated	<u>261,674</u>	<u>-</u>	<u>261,674</u>	<u>221,350</u>
Total Fund Equity	<u>261,674</u>	<u>191,704</u>	<u>453,378</u>	<u>413,054</u>
Total Liabilities and Fund Equity	<u>\$ 264,603</u>	<u>\$ 191,704</u>	<u>\$ 456,307</u>	<u>\$ 415,306</u>

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
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**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GENERAL FUND**

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Revenues:		
Improvement Fund - State of Louisiana	\$ 54,925	\$ 47,030
Tourist Tax	61,219	64,201
Interest	<u>6,413</u>	<u>7,287</u>
Total Revenues	122,557	118,518
Expenditures:		
Salaries and Wages	39,898	41,140
Advertising and Publications	12,420	3,395
Capital Outlay	-	1,390
Collection Cost - Tourist	1,837	1,926
Conference Expense	1,493	616
Dues	1,213	1,368
Insurance	2,023	5,708
Maintenance of Property	2,508	2,049
Miscellaneous Expense	51	154
Office Supplies	2,198	3,349
Payroll Tax Expense	3,052	3,140
Postage	290	345
Professional Services	4,200	3,749
Promotions	-	1,349
Telephone	4,005	4,578
Travel	2,859	2,546
Utilities	<u>4,186</u>	<u>4,354</u>
Total Expenditures	<u>82,233</u>	<u>81,156</u>
Excess (Deficiency) of Revenues over Expenditures	40,324	37,362
Fund Balance at Beginning of Year	<u>221,350</u>	<u>183,988</u>
Fund Balance at End of Year	<u>\$261,674</u>	<u>\$221,350</u>

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMELY LIVINGSTON PARISH TOURIST COMMISSION)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2002

	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Improvement Fund - State of Louisiana	\$ 42,000	\$ 54,925	\$ 12,925
Tourist Tax	45,000	61,219	16,219
Interest	<u>4,000</u>	<u>6,413</u>	<u>2,413</u>
Total Revenues	91,000	122,557	31,557
Expenditures:			
Salaries and Wages	39,030	39,898	(868)
Advertising and Publications	17,000	12,420	4,580
*Collection Cost - Tourist	-	1,837	(1,837)
Conference Expense	5,000	1,493	3,507
Dues	1,000	1,213	(213)
Insurance	3,100	2,023	1,077
Maintenance of Property	1,600	2,508	(908)
Miscellaneous Expense	722	51	671
Office Supplies	2,500	2,198	302
Payroll Tax Expense	3,400	3,052	348
Postage	798	290	508
Professional Fees	5,650	4,200	1,450
Telephone	4,200	4,005	195
Travel	2,500	2,859	(359)
Utilities	<u>4,500</u>	<u>4,186</u>	<u>314</u>
Total Expenditures	<u>91,000</u>	<u>82,233</u>	<u>8,767</u>
Excess (Deficiency) of Revenues over Expenditures	-	40,324	40,324
Fund Balance at Beginning of Year	<u>221,350</u>	<u>221,350</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$221,350</u></u>	<u><u>\$261,674</u></u>	<u><u>\$ 40,324</u></u>

*Approved by Board but failed to be included in amended budget.

The accompanying notes constitute an integral part of this statement.

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMERLY LIVINGSTON PARISH TOURIST COMMISSION)**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2002

(1) Summary of Significant Accounting Policies -

The Livingston Parish Convention & Visitors Bureau (the Bureau) formerly the Livingston Parish Tourist Commission is a body corporate created by the Louisiana Legislative Revised Statutes, R.S. 33:4574. The Bureau is governed by a board of seven commissioners who are appointed by the Livingston Parish Council.

The financial statements of the Bureau have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB), is the standard-setting body for governmental accounting and financial reporting. On June 30, 2002, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Bureau's Board of Commissioners. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

In conformance with Governmental Accounting Standards Board, Statement 14, the Bureau is a component unit of the State of Louisiana. The accompanying financial statements present information only on the fund maintained by the Bureau and do not present information on the State and the general government services provided by that governmental unit.

B. Fund Accounting

The accounts of the Bureau are organized on the basis of a fund and an account group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2002

(1) Summary of Significant Accounting Policies - (Continued) -

equity, revenues, and expenditures or expenses, as appropriate. The account group is only concerned with the measurement of financial position. It is not involved with the measurement of results of operations. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund of the Bureau is grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

General Fund - The General Fund is the general operating fund of the Bureau. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2002, this is the only fund of the Livingston Parish Convention & Visitors Bureau.

In addition to the generic fund type, the Bureau maintains an account group. The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

General Fixed Asset Account Group - The fixed assets used in the governmental fund type operations of the Bureau are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Donated assets are recorded at their fair market value at date of donation. At December 31, 2002, there were no donated assets.

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.

All governmental 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.

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2002

(1) Summary of Significant Accounting Policies - (Continued) -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased.

D. Budgetary Practices

The Bureau utilizes the following budgetary practices:

The Chairperson of the Board prepares the annual budget which is based on what is expected to be collected during the fiscal year and is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of the annual budget during the year. Appropriations, except encumbrances, lapse at the end of each year.

E. Encumbrances

Encumbrances outstanding at year end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The Governmental Fund's budget is maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

The actual results of operations are presented in accordance with GAAP and the Bureau's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Encumbrances are presented as a reservation for encumbrances on the Balance Sheet of the governmental fund. At December 31, 2002, the Bureau had no outstanding encumbrances.

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMERLY LIVINGSTON PARISH TOURIST COMMISSION)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2002

(2) Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with maturities of three months or less from the date of acquisition. In addition, the Bureau also has certificates of deposits with maturities greater than 90 days which are included under the financial statement heading of Investments. Under state law the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Bureau may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As confirmed by the fiscal agent, the Bureau had cash and Certificates of Deposit totaling \$204,504 with a carrying amount of \$201,613 at December 31, 2002. Cash and certificates of deposit are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance 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. The following is a summary of cash at December 31, 2002, with the related federal deposit insurance and pledged securities, if any. The cash at December 31, 2002 was secured as follows:

	<u>Confirmed Bank Balance December 31, 2002</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash	\$ 7,069	\$ 7,069	\$ -
Certificates of Deposit	<u>197,435</u>	<u>197,435</u>	<u>-</u>
Total	<u>\$ 204,504</u>	<u>\$ 204,504</u>	<u>\$ -</u>
	<u>Bank Balance</u>	<u>Carrying Amount</u>	
Balance Sheet Classification:			
Cash and Cash Equivalents	\$ 7,069	\$ 4,178	
Investments	<u>197,435</u>	<u>197,435</u>	
	<u>\$ 204,504</u>	<u>\$ 201,613</u>	

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMERLY LIVINGSTON PARISH TOURIST COMMISSION)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2002

(3) Investments -

The Bureau has invested monies into LAMP. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. 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.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. At December 31, 2002 the Bureau has \$41,531 invested in LAMP which is stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In accordance with GASB Codification Section 150.165, these investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

(4) Due From Other Government -

Due From Other Government consisted of the following at December 31, 2002:

State of Louisiana - Improvement Fund	\$ 12,059
Livingston Parish School Board - Tourist Tax	<u>9,400</u>
	<u>\$ 21,459</u>

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
(FORMERLY LIVINGSTON PARISH TOURIST COMMISSION)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2002

(5) Litigation -

There is no litigation pending against the Bureau.

(6) Schedule of Compensation Paid Board Members -

	<u>Term Expiration</u>	
Kenny Morrison, Chairperson	02/11/05	\$ -
Gwen Vicknair	02/11/05	-
Louis Bartus	02/11/05	-
Gaile Sanders	02/11/05	-
Theresa Jackson	02/11/05	-
Jacqueline A Strickland	02/11/05	-
Denise Martin	02/11/05	-
		-
		\$ -

The term of each board member is three years.

(7) Changes in General Fixed Assets -

A summary of changes in general fixed assets is as follows:

	<u>Land and Building</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
General Fixed Assets at Beginning of Year	\$179,458	\$ 12,246	\$191,704
Additions: General Fund Revenues	-	-	-
General Fixed Assets at End of Year	\$179,458	\$ 12,246	\$191,704

**LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2002

(8) Accounting Developments - GASB Statement No. 34 -

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau's overall financial position and results of operations.
 - Financial statements will be prepared using full accrual accounting for all of the Bureau's activities, including reporting infrastructure assets (roads, bridges, etc.).
 - A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the Livingston Parish Convention & Visitors Bureau no later than the year ending December 31, 2004; the retroactive reporting of infrastructures must be implemented no later than the year ending December 31, 2008.

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



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March 24, 2003

Board of Commissioners
Livingston Parish Convention & Visitors
Bureau (Formerly Livingston Parish Tourist
Commission)
Albany, Louisiana

We have audited the component unit financial statements of the Livingston Parish Convention & Visitors Bureau, a component unit of the State of Louisiana, as of and for the year ended December 31, 2002, and have issued our report thereon dated March 24, 2003. 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 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 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 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 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 for the use of management and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish Convention & Visitors Bureau is a matter of public record.

Respectfully submitted,

Harold J. Bourgeois, CPA