

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU
Alexandria, Louisiana**

**ANNUAL
FINANCIAL
REPORT**

For the Year Ended December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/9/06

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2005

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**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

December 31, 2005

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**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, La.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005**

Our discussion and analysis of the Alexandria/Pineville Area Convention and Visitors Bureau 's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2005. Please read in conjunction with the basic financial statements and the accompanying notes to financial statements.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the Bureau's finances. The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is "Is the Alexandria/Pineville Area Convention and Visitors Bureau as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information of the Alexandria/Pineville Area Convention and Visitors Bureau as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Alexandria/Pineville Area Convention and Visitors Bureau.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Alexandria/Pineville Area Convention and Visitors Bureau as a whole. Some funds are required to be established by State laws and contracts.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, La.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005
(continued)

The Alexandria/Pineville Area Convention and Visitors Bureau uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Bureau's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation statement.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$464,148 (net assets).
- Total net assets are comprised of the following:
 - (1) Investment in capital assets of \$49,901 including the cost of office equipment, and furniture, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$401,383 representing the portion available to maintain the continuing obligations to citizens and creditors.
- The governmental funds reported total ending fund balance of \$425,747. Of this amount, \$425,747 was unreserved. This compares to the prior year ending fund balance – of \$212,014, showing an increase of \$213,733 during the current year.
- Total spending for all government activities was \$456,026 for the year, which was \$200,855 less than the program revenues for these activities – \$656,881.
- The interest earned on checking accounts was \$2,826 for the year.
This reflects an increase of \$2,126 or 300% from last year.

The Statement of Net Assets and the Statement of Activities reports only one type of activity-general governmental activities. All of the basic tourism services are reported as this type. Hotel motel taxes charged to the public finance most of these activities.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, La.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005
(continued)

FINANCIAL ANALYSIS AS A WHOLE

The Bureau's net assets increased by \$203,681 as a result of this year's operations. The overall financial position improved during the fiscal year ending December 31, 2005. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today, including all of our non-capital liabilities, we would have \$401,383 left.

The Bureau's total revenues for the year in governmental activities were \$659,707 (656,881 in charges for services and \$2,826 in general revenues). All the general revenue for 2004 and 2005 was interest income. The total cost of all government programs and services was \$456,026 with no new programs added this year.

Table I
Comparative Statement of Net Assets
Dec. 31, 2004
with comparative totals for Dec. 31, 2005
in (thousands)

	<u>Governmental activities</u>	
	<u>2004</u>	<u>2005</u>
Current and other assets	242	482
Capital Assets	<u>50</u>	<u>50</u>
Total Assets	<u>292</u>	<u>532</u>
Total Liabilities	32	68
Net Assets:		
Capital Assets	50	50
Reservd		13
Unrestricted	<u>210</u>	<u>401</u>
Total Net Assets	<u>260</u>	<u>464</u>

Table II
Comparative Statement of Activities
Dec. 31, 2004
with comparative totals for Dec. 31, 2005
in (thousands)

	<u>Governmental activities</u>	
	<u>2004</u>	<u>2005</u>
Expenses:		
Current Gen.Gov.	<u>463</u>	<u>456</u>
Program Revenue:		
Intergovernmental	493	657
General Revenues	<u>1</u>	<u>3</u>
Total Revenues	<u>494</u>	<u>660</u>
Changes in Net Assets	31	204
Net Assets Bg year	<u>229</u>	<u>260</u>
Net Assets end year	<u>260</u>	<u>464</u>

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As we noted earlier, the Alexandria/Pineville Area Convention and Visitors Bureau uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Alexandria/Pineville Area Convention and Visitors Bureau is being accountable for the resources provided, but may also give more insight into the overall financial health

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, La.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005**
(continued)

As the Alexandria/Pineville Area Convention and Visitors Bureau completed the year, its governmental funds reported a combined fund balance of \$425,747. This reflects an increase of \$213,733 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original expense budget for the General Fund was revised for capital outlay by approximately \$12,000 this fiscal year. The excess spending which was not adjusted in the budget was as follows:

- (1) Insurance costs were under budgeted by \$5,669.
- (2) Payroll taxes and fringe benefits were under budgeted by \$14,255.
- (3) Miscellaneous other costs were under budgeted by \$14,646.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2005 was \$49,901.

This year there were no additions to capital assets. The Alexandria/Pineville Area Convention and Visitors Bureau adopted a capitalization policy during the year whereby only furniture and equipment over \$50 would be capitalized. More detailed information about the capital assets is presented in Note 5 to the financial statements.

DEBT

At year-end, the Alexandria/Pineville Area Convention and Visitors Bureau had no debt outstanding outside of normal operating bills.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Bureau has limited discretion in setting fees and costs for services provided, the majority of which are regulated by state law. The office staff and costs have been largely stable for the past several years, and are expected to remain so.

Taking all factors into consideration, the Board's general fund balance is expected to increase by the close of 2006.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Bureau's finances and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Cindy Leggett, P.O. Box 1070 Alexandria, LA 71309 at phone number (318) 443-7049.

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DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Alexandria/Pineville Area Convention & Visitors' Bureau
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alexandria/Pineville Area Convention and Visitors Bureau (a political subdivision of the State of Louisiana) as of and for the year ended December 31, 2005, which collectively comprise the Bureau's financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Alexandria/Pineville Area Convention and Visitors Bureau. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with United States 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 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 financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities and each major fund of the Alexandria/Pineville Area Convention and Visitors Bureau, as of December 31, 2005, and the respective changes in financial position for the year then ended in conformity with accepted accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2006 on our consideration of the Alexandria/Pineville Area Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The 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.

The Management and Discussion and the Required Supplementary Information as listed in the foregoing table of contents, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information is the responsibility of the management of the Alexandria/Pineville Area Convention and Visitors Bureau. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Management and Discussion and the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Bureau's basic financial statements. The Other Supplementary Information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dauzat, Beall & Debevec, CPA's, APC
Alexandria, Louisiana
June 24, 2006

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

STATEMENT OF NET ASSETS
December 31, 2005

	GENERAL FUND
<u>ASSETS</u>	
ASSETS:	
CASH AND CASH EQUIVALENTS	\$ 303,050
ACCOUNTS RECEIVABLE	135,785
DUE FROM OTHER FUNDS	42,272
PREPAID EXPENSES	1,364
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	49,901
TOTAL ASSETS	<u>\$ 532,372</u>
 <u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES:	
DUE TO OTHER FUND	\$ 48,766
ACCOUNTS PAYABLE	5,946
ACCRUED EXPENSES	648
COMPENSATED ABSENCES PAYABLE	12,864
TOTAL LIABILITIES	<u>68,224</u>
 NET ASSETS:	
INVESTMENT IN CAPITAL ASSETS	49,901
RESERVED FOR COMPENSATED ABSENCES	12,864
UNRESTRICTED	401,383
TOTAL NET ASSETS	<u>464,148</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 532,372</u>

The accompanying notes are an integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2005**

EXPENSES

General Government:

Collection Expenses	\$	10,046
Salaries		181,078
Contract Services		1,970
Payroll Taxes & Fringe Benefits		63,302
Interest		1,446
Legal & Professional		5,296
Dues and Subscriptions		9,732
Miscellaneous		1,522
Automobile Rent		146
Telephone		8,898
Utilities		1,501
Insurance		13,915
Repairs And Maint.		18,799
Office Supplies		8,145
Promotional		64,181
Brochures - Printing and Distribution		4,540
Advertising		59,852
Depreciation		<u>9,657</u>
Total expenses		<u>464,026</u>

PROGRAM REVENUES

Intergovernmental:

State of Louisiana Video Grant		8,000
Rapides Parish Hotel-Motel tax		475,492
City Of Alexandria-Downtown Tax		26,784
State of Louisiana Hotel-Motel Tax		<u>154,605</u>
Total program revenues		<u>664,881</u>

Net program revenues 200,855

GENERAL REVENUES

Interest earned		<u>2,826</u>
Total General Revenue		<u>2,826</u>

Change in Net Assets 203,681

NET ASSETS BEGINNING OF YEAR 260,467

NET ASSETS END OF YEAR \$ 464,148

The accompanying notes are an integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

**BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2005**

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
ASSETS:	
CASH AND CASH EQUIVALENTS	\$ 303,050
ACCOUNTS RECEIVABLE	135,785
DUE FROM OTHER FUNDS	<u>42,272</u>
TOTAL ASSETS	<u>\$ 481,107</u>
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES:	
DUE TO OTHER FUND	\$ 48,766
ACCOUNTS PAYABLE	5,946
ACCRUED EXPENSES	<u>648</u>
TOTAL LIABILITIES	<u>55,360</u>
FUND BALANCES:	
UNRESERVED - UNDESIGNATED	<u>425,747</u>
TOTAL FUND BALANCE	<u>425,747</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 481,107</u>

The accompanying notes are an integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
December 31, 2005**

Total fund balance-governmental fund (fund financial statement)		\$ 425,747
Amounts reported for governmental activities in the statement of net assets (government-wide financial statements) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Cost of assets	128,599	
Accumulated depreciation	<u>(78,698)</u>	49,901
Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds		
Prepaid Insurance	<u>1,364</u>	1,364
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	<u>(12,864)</u>	(12,864)
Total net assets of governmental activities (government-wide financial statements)		<u>\$ 464,148</u>

The accompanying notes are an integral part of this reconciliation.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE-GENERAL FUND
For the year ended December 31, 2005**

REVENUES

Intergovernmental:	
State of Louisiana Video Grant	\$ 8,000
Rapides Parish Hotel-Motel Tax	475,492
City Of Alexandria-Downtown Tax	26,784
State Of Louisiana Hotel-Motel Tax Rebate	154,605
Interest Income	<u>2,826</u>
Total Revenues	<u>667,707</u>

EXPENDITURES

CURRENT-General Government:

Collection Expenses	10,046
Salaries	174,249
Contract Services	1,970
Taxes & Fringe Benefits	63,302
Interest	1,446
Legal & Professional	5,296
Dues and Subscriptions	9,732
Miscellaneous	1,522
Automobile Rent	146
Telephone	8,898
Utilities	1,501
Insurance	11,169
Repairs and Maint.	18,799
Office Supplies	8,145
Promotional	64,181
Brochures - Printing and Distribution	4,540
Advertising	<u>59,852</u>
Total Current Expenditures	444,794

CAPITAL OUTLAY

Total Expenditures	<u>9,180</u>
	<u>453,974</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE-GENERAL FUND
For the year ended December 31, 2005
(CONTINUED)**

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	213,733
OTHER FINANCING SOURCE	<u>0</u>
Total Other Financing Sources	<u>0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	213,733
FUND BALANCE, BEGINNING,	<u>212,014</u>
FUND BALANCE, ENDING	<u>\$ 425,747</u>

The accompanying notes are integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2005**

Net change in fund balances-total governmental funds (fund financial statements)	\$ 213,733
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Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Government activities report depreciation expense to allocate the cost of those capital assets over the estimated useful

	9,180	
Capital outlay	9,180	
Depreciation expense	<u>(9,657)</u>	(477)

Some of the expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	(2,746)	
Net decrease in prepaid Insurance	(2,746)	
Increase in compensated absences	<u>(6,829)</u>	(9,575)

Change in net assets of governmental activities (government-wide financial statements)	<hr style="width: 100%;"/> <u>\$ 203,681</u>
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The accompanying notes are an integral part of this reconciliation.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

**STATEMENT OF FIDUCIARY NET ASSETS-AGENCY FUNDS
December 31, 2005**

	ALEXANDRIA RIVER FRONT CENTER RESERVE FUND	RIVER FRONT CENTER OPERATING FUND	VISITORS GUIDE FUND	BICENTENNIAL FUND	TOTAL
<u>ASSETS</u>					
Assets:					
Cash	\$ 274,227	\$ 88,450	\$ 47,554	\$ 1,565	\$ 411,796
Other Receivables		73,455	15,136		88,591
Due from Other Fund		48,766			48,766
Total Assets	<u>\$ 274,227</u>	<u>\$ 210,671</u>	<u>\$ 62,690</u>	<u>\$ 1,565</u>	<u>\$ 549,153</u>
<u>LIABILITIES AND NET ASSETS</u>					
Liabilities:					
Accounts Payable		\$ 1,997			\$ 1,997
Due to Other Funds		18,672	\$ 20,000	\$ 3,600	42,272
Advanced Deposits		24,750			24,750
Unsettled Deposits	<u>\$ 274,227</u>	<u>165,252</u>	<u>42,690</u>	<u>(2,035)</u>	<u>480,134</u>
Total Liabilities	<u>274,227</u>	<u>210,671</u>	<u>62,690</u>	<u>1,565</u>	<u>549,153</u>
Net Assets:					
Total Net Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Net Assets	<u>\$ 274,227</u>	<u>\$ 210,671</u>	<u>\$ 62,690</u>	<u>\$ 1,565</u>	<u>\$ 549,153</u>

The accompanying notes are an integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

**STATEMENT OF CHANGES IN UNSETTLED DEPOSITS, BY FUND
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Alexandria River Front Center Reserve Fund	River Front Center Operating Fund	Guide Fund	Bi- Centennial Fund	Total
Deposit balances, beginning of year	\$ 265,645	\$ 105,924	\$ 9,065	\$ (2,035)	\$ 378,599
Additions:					
City of Alex., city wide tax		200,701			200,701
State of La. Hotel-motel rebate		169,100			169,100
Rental Charges		143,376			143,376
Interest	8,582	2,753			11,335
Other Deposits		2,442	53,500		55,942
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
Total Deposits and additions	<u>274,227</u>	<u>624,296</u>	<u>62,565</u>	<u>(2,035)</u>	<u>959,053</u>
Deductions:					
Admin Contract Labor		221,923			221,923
Contract Labor-other		36,571			36,571
Collection Expense		4,014			4,014
Office Expense		9,109			9,109
Professional fees		5,375			5,375
Repairs & Maint.		42,345			42,345
Promotional		1,647	19,875		21,522
Insurance		16,537			16,537
Maint. Contracts/security		12,403			12,403
Telephone		7,877			7,877
Concessions		2,523			2,523
Utilities		98,720			98,720
Total Deductions	<u>0</u>	<u>459,044</u>	<u>19,875</u>	<u>-0-</u>	<u>478,919</u>
Deposit balances, end of year	<u>\$ 274,227</u>	<u>\$ 165,252</u>	<u>\$ 42,690</u>	<u>\$ (2,035)</u>	<u>\$ 480,134</u>

The accompanying notes are an integral part of this financial statement

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

INTRODUCTION

The financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Bureau's accounting policies are described below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Bureau have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The Alexandria/Pineville Area Convention and Visitors Bureau (formerly known as the Conventions Commission and the Rapides Parish Convention and Visitors Bureau) was a division of the Greater Alexandria-Pineville Chamber of Commerce. The Bureau became a separate legal entity, as designated by the Louisiana Legislature in Act No. 955, House Bill No. 1839 effective for September 1, 1984. The governing body was created as the Rapides Parish Tourism and Convention Commission, while the operating body was named the Rapides Parish Convention and Visitors Bureau. Through Louisiana Act No. 628, the name of the Bureau was changed during 1991 to Alexandria/Pineville Area Convention and Visitors Bureau. The purpose of the Bureau is to promote conventions and tourism and to assist with conventions in the local area. Its major source of revenue is from city and parish occupancy taxes collected by local hotels and motels. Therefore, the Bureau is dependent upon hotel/motel occupancy for its revenue.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

B. REPORTING ENTITY (contd.)

In evaluating how to define the Bureau for financial reporting purposes, management has considered all potential component units. The decision whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are: the capacity for the organization to have its own name; the right for the organization to sue and be sued in its own name without recourse to the primary government; and the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to consider "financially accountable" include: appointment of a voting majority of the organization's governing body; ability of primary government to impose its will on the organization; whether the organization has the potential to provide specific financial benefits to, or improve specific financial burdens on the primary government; and fiscal dependence of the organization.

The Alexandria/Pineville Area Convention and Visitors Bureau operates autonomously from other parish and city agencies. Therefore, the Alexandria/Pineville Area Convention and Visitors Bureau reports as an independent reporting entity. This report includes all funds and account groups which are controlled by or dependent upon the Bureau.

C. Fund Accounting

The Bureau uses the funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

C. **Fund Accounting (contd.)**

Governmental Funds

Governmental funds account for all or most of the Bureau' activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Bureau. The following are the Bureau's governmental funds:

General Fund

The General Fund, as provided by state law, is the principal fund of the Bureau and accounts for the operations for the Bureau's office. The various fees and charges due to the Bureau's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, and focuses on net assets and changes in net assets. The fiduciary fund includes the following:

Agency Funds

All agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, but use the accrual basis of accounting. The Bureau maintains the following agency funds:

Alexandria Riverfront Center Reserve Fund - an agency fund whereby monies previously received from the State of Louisiana provide a reserve for the payment of operating expenses and emergency expenditures of the Alexandria Riverfront Center. In the event the amount of operating revenue is insufficient for the payment of operating expenses due during the month, or the need arises to make an emergency expenditure, the Alexandria/Pineville Area Convention and Visitors Bureau and the City of Alexandria may advance the amount from the Reserve Fund to the Operating Fund. The Reserve Fund must maintain a balance of \$100,000 or the management agreement between the Bureau and the City may be terminated.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

C. Fund Accounting (contd.)

Agency Funds

Alexandria Riverfront Center Operating Fund - an agency fund whereby monies received from the State of Louisiana and a hotel-motel city-wide tax are used for the operations of the Alexandria Riverfront Center. The Alexandria Riverfront Center is managed by the Alexandria/Pineville Area Convention and Visitors Bureau for the City of Alexandria.

The Visitors Guide Fund- an agency fund used to pay for collective advertising.

The Bicentennial Fund- an agency fund used to promote tourism by the state of Louisiana.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements(FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. The modified accrual basis of accounting is used by the fund financial statements (FFS). Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

D. Measurement Focus/Basis of Accounting (contd.)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

The hotel motel taxes are recorded in the year in which they are earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when received.

Expenditures

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased. Compensated absences are recognized as expenditures when leave is actually taken or the employees (or heirs) are paid for accrued leave upon retirement or death.

Salaries are recorded as expenditures when earned.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sales of assets and capitalized leases are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

**D. Measurement Focus/Basis of Accounting (contd.)
Government – Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the Rapides Parish Bureau as a whole. These statements include all the financial activities of the Rapides Parish Bureau. It doesn't include the fiduciary funds. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from users as a fee for services and intergovernmental revenues for providing tourism services; program revenues reduce the cost of the function to be financed from general revenues.

E. Budgetary Practice

The proposed budget for the 2005 fiscal year was made available for public inspection at the Bureau's office in December of the prior year. The public hearing, which was for the purpose of adopting the budget was held at the Bureau's office at the same time. The Bureau follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device for the Bureau's General fund. The budget is adopted on a modified accrual basis of accounting.
2. The Bureau approves all budget line items.
3. Unused appropriations for all annual budgetary funds lapse at the end of the year.
4. The budget amounts shown in the financial statement are final authorized amounts as revised during the year.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

F. Cash and Cash Equivalents

In the governmental fund and agency funds, cash and cash equivalents include amounts in all demand deposits, interest bearing demand deposits and time deposits with original maturities of three months or less from the date of acquisition.

G. Investments

If the cash deposits have original maturities greater than 90 days, they are classified as investments. Investments are stated at cost or amortized cost, except for investments in the Deferred Compensation Agency Fund which are reported at market value.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Bureau maintains a threshold level of \$50 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Equipment	3-30 years
Vehicles	10-years

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

I. Compensated Absences

All regular, full time employees who have been employed with the bureau for a period of one year are entitled to a vacation with pay. Such leave shall be credited at the end of each full calendar month of service according to the following schedule:

Less than 5 years of service - 8 vacation hours/month
More than 5 years but less than 10 years - 10 vacation hours/month
10+ years of service - 12 vacation hours/month

It is the policy of the bureau to pay terminating employees for unused vacation that has accumulated. Employees shall be allowed to carryover not more than one third of their vacation leave earned during the current calendar year to the subsequent year. Sick leave shall be credited to permanent full time employees at the following rates:

1. Credited at a rate of 8 hours for each full month of employment

Unused sick leave credited to the employee shall be carried forward to succeeding calendar years, but not to exceed (1,040) hours.

The Bureau's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

I. Compensated Absences (contd.)

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the Government-Wide Financial Statements. The current portion of the liability for compensated absences should be reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The non-current portion of the liability is not reported in the fund financial statements.

J. Restricted Net Assets

For government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and 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.

2. CASH

At December 31, 2005, the Bureau has cash and cash equivalents (book balances) totaling \$303,050, as follows:

	<u>General Fund</u>
Demand Deposits Including	
Interest bearing demand deposits	<u>\$ 303,050</u>
Total	<u>\$ 303,050</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by the federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2005, the Bureau's general fund has \$319,062 in deposits (collected bank balances). These deposits are secured from risk by \$162,750 of federal deposit insurance and \$156,312 in pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

2. CASH (contd.)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Bureau that the fiscal agent has failed to pay deposited funds upon demand. (This disclosure should acknowledge any violations of state law relating to adequate pledged securities.)

3. ACCOUNTS RECEIVABLES

	General FUND	<u>AGENCY FUNDS</u>			TOTAL
		<u>ALEX/RIVER FRONT CENTER OPERATING FUND</u>	<u>VISITORS GUIDE</u>	<u>BICENTENNIAL</u>	
RAPIDES PARISH POLICE JURY OCCUPANCY TAX	\$ 41,819	\$ 16,191			\$ 58,010
STATE OF LA HOTEL/MOTEL TAX REBATE	92,316				92,316
OTHER	<u>1,650</u>	<u>\$ 57,264</u>	<u>\$ 15,136</u>	<u> </u>	<u>74,050</u>
	<u>\$ 135,785</u>	<u>\$ 73,455</u>	<u>\$ 15,136</u>	<u>\$ 0</u>	<u>\$ 224,376</u>

4. BAD DEBTS

Uncollectible amounts due for customer receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. All amounts are considered collectible and the allowance account has not been established.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

5. CAPITAL ASSETS

A summary of property and equipment and accumulated depreciation at December 31, 2005 follows:

	Property and Equipment			Balance 12/31/05
	Balance 12/31/04	Additions	Deletions	
Furniture & equipment	\$ 79,148	9,180		\$ 88,328
Vehicles	40,271			40,271
Total	\$ 119,419	9,180	_____	\$ 128,599

	Accumulated Depreciation			Balance 12/31/05
	Balance 12/31/04	Additions	Deletions	
Furniture & equipment	\$ 48,630	\$ 5,630		\$ 54,260
Vehicles	20,411	4,027		24,438
Total	\$ 69,041	\$ 9,657	_____	\$ 78,698

6. INTERFUND RECEIVABLES AND PAYABLES

The interfund balances are primarily the result of the general fund loaning money to agency funds to temporarily cover expenses until funds are received. The following is a summary of amounts due from and due to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
River Front Center	General fund	\$48,766
General fund	River Front Center	\$18,672
General fund	Visitors guide	\$20,000
General fund	Bicentennial fund	\$ 3,600

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

7. DEFINED CONTRIBUTION PLAN

The Bureau began a simplified employee pension plan during 1993. An employee is eligible to participate once they have been employed full time with the Bureau for a full year. The Organization contributes five percent (5%) of the employee's salary to the plan. Monthly contributions were made from the General Fund and River Front Center Fund for employees during 2005 totaling \$10,817.

8. OPERATING LEASES

The Bureau entered into a sixty month copier operating lease on December 30, 2005, at \$656 per month. The lease expense on the prior copier for the year was \$4,224. Future minimum payments on the copier are as follows:

2006	\$ 7,872
2007	7,872
2008	7,872
2009	7,872
2010	<u>7,872</u>
Total	<u>\$39,360</u>

9. LITIGATION AND CLAIMS

None outstanding.

10. MANAGEMENT AGREEMENT

On May 21, 1996, the Alexandria/Pineville Area Convention and Visitors Bureau entered into a management agreement with the City of Alexandria, Louisiana, in which the Bureau agreed to act as General Manager of the business operations of the Alexandria Riverfront Center. The City agreed to maintain ownership of the Center and to provide office space for the Bureau within the Center at no additional cost to the Bureau. The Bureau is responsible for operating budgets, comprehensive staffing plans, marketing plans, rental schedules, advertising, licensing, promotional activities, public relations, and the design and implementation of a financial accounting system for the Center. The Bureau is to provide the City with monthly financial reports within twenty (20) days of the end of each month. As General Manager for the Center, the Bureau is also responsible for exercising its best efforts

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(CONTINUED)**

10. MANAGEMENT AGREEMENT (contd.)

in minimizing operating expenses and maximizing operating revenues in good faith judgement. The City has the right to obtain information from the Bureau, upon reasonable demand, and to inspect the books and records of the Center as may be necessary to inform the City concerning the Center and its operations. This management agreement which expired on the last day of March, 2001, was automatically renewed for an additional five (5) year period. Also, this agreement may be terminated if the balance in the Alexandria Riverfront Center falls below \$100,000.

11. ADVANCE DEPOSITS

Advance deposits are the fees collected for activities occurring in the Riverfront Center in a subsequent fiscal year.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND
For the year ended December 31, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Intergovernmental:				
State of Louisiana Video Grant			\$ 8,000	8,000
Rapides Parish Hotel-Motel Tax	\$358,900	\$356,900	475,492	118,592
City of Alexandria-Downtown Tax	14,085	14,085	26,784	12,699
State of La. Hotel-Motel Tax Rebate	105,000	105,000	154,605	49,605
Interest Income	<u>900</u>	<u>900</u>	<u>2,826</u>	<u>1,926</u>
Total Revenues	478,885	476,885	667,707	190,822
<u>EXPENDITURES</u>				
CURRENT-General Government:				
Collection Expenses	5,400	5,400	10,046	(4,646)
Salaries	172,539	172,539	174,249	(1,710)
Contract Services	900	900	1,970	(1,070)
Payroll Taxes & Fringe Benefits	49,047	49,047	63,302	(14,255)
Interest	0	0	1,446	(1,446)
Legal & Professional	7,200	7,200	5,296	1,904
Dues & Subscriptions	4,880	4,880	9,732	(4,852)
Miscellaneous	600	600	1,522	(922)
Automobile Rent	900	900	146	754
Telephone	10,200	10,200	8,898	1,302
Utilities	1,501	1,501	1,501	0
Insurance	5,500	5,500	11,169	(5,669)
Repairs & Maintenance.	19,950	19,881	18,799	1,082
Office Supplies	14,400	14,400	8,145	6,255
Promotional	130,155	130,155	64,181	65,974
Brochures - Printing & Distribution	10,850	10,650	4,540	6,110
Advertising	<u>60,132</u>	<u>60,132</u>	<u>59,852</u>	<u>280</u>
Total Current Expenditures	494,154	493,885	444,794	49,091
CAPITAL OUTLAY	<u>0</u>	<u>12,000</u>	<u>9,180</u>	<u>2,820</u>
Total Expenditures	<u>494,154</u>	<u>505,885</u>	<u>453,974</u>	<u>51,911</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**
Alexandria, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND**
For the year ended December 31, 2005
(CONTINUED)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,269)	(29,000)	213,733	242,733
OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(15,269)	(29,000)	213,733	242,733
FUND BALANCE, BEGINNING,	<u>212,014</u>	<u>212,014</u>	<u>212,014</u>	<u>0</u>
FUND BALANCE, ENDING	<u>\$196,745</u>	<u>\$183,014</u>	<u>\$425,747</u>	<u>\$ 242,733</u>

The accompanying notes are integral part of this financial statement.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
Alexandria, Louisiana**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain the report on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The paragraph on internal control structure is based solely on the audit of the general purpose financial statements and includes where appropriate, any reportable conditions and/or material weaknesses. The paragraph on compliance with laws and regulations is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.

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AMERICAN INSTITUTE OF
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CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

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

Board of Directors
Alexandria/Pineville Area Convention & Visitors' Bureau

We have audited the financial statements of the governmental activities and each major fund of the Alexandria/Pineville Area Convention & Visitors' Bureau (a political subdivision of the State of Louisiana) as of and for the year ended December 31, 2005 which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated June 24, 2006. We conducted our audit in accordance with United States 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 is 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 an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Bureau's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 05-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are a material weakness.

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

A handwritten signature in black ink, appearing to read "David Belli". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Certified Public Accountants
June 24, 2006

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2005

We have audited the financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau as of December 31, 2005 and have issued our report thereon dated June 24, 2006. We conducted our audit in accordance with United States 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. Our audit of the financial statements as of and for the year ended December 31, 2005 resulted in an unqualified opinion.

Section I-Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material Weaknesses ___ Yes No Reportable Conditions Yes ___ No

Compliance

Non Compliance Material to Financial Statements ___ Yes No

Section II-Financial Statement Findings

None

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2005
(continued)

Section III-Findings and Questioned Costs

05-1 ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER

Condition:	The accounts receivable subsidiary ledger contained amounts that were double billed.
Criteria:	The general ledger and the accounts receivable subsidiary ledger should properly reflect the amounts that are owed and collectible.
Effect:	The general ledger accounts receivable will be overstated.
Questioned Costs:	None

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
Alexandria, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2004**

<u>Ref.No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Planned Corrective Corrective Action Taken</u>
04-1	2004	Local Budget Act	Corrected
04-2	2004	Property Management	Corrected
04-3	2004	Payroll Tax Payments	Corrected
04-4	2004	Bank Reconciliation	Corrected

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
ALEXANDRIA, LA.**

**CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2005**

Auditor Ref. Number

05-1 The accounts receivable subsidiary will be accurately maintained and will agree to the general ledger.

Name of Contact Person: Mrs. Sherry Smith, Executive Director
(318) 443-7049

Date: June 25, 2006