

8156

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUN 30 AM 10:55

ORIGINAL  
FILE COPY  
DO NOT SEND OUT  
When necessary  
copies from this  
copy and PLACE  
BACK IN FILE

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

**Alexandria, Louisiana**

**December 31, 1999**

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 08-02-00

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
Alexandria, Louisiana

DECEMBER 31, 1999

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
General Purpose Financial Statements Combined Balance Sheet - All Fund Types And Account Groups	3
General Fund - Statement Of Revenues, Expenditures, And Changes In Fund Balance - Budget And Actual	4
Notes To Financial Statements	5
Other Report Required By Government Auditing Standards	15
Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of General Purpose Financial Statements Performed In Accordance With Government Auditing Standards	16
Schedule Of Findings And Questioned Costs	18
Schedule of Prior Year Findings	20

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

# 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 general purpose financial statements of Alexandria/Pineville Area Convention & Visitors' Bureau, (a non-profit, quasi-public organization) as of and for the year ended December 31, 1999. 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 the 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 Alexandria/Pineville Area Convention & Visitors' Bureau, as of December 31, 1999, 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 June 27, 2000, on our consideration of the **Bureau's** internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, and contracts.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Alexandria/Pineville Area Convention & 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.

  
Certified Public Accountants  
June 27, 2000

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999

	<u>GOVERNMENTAL</u>	<u>FIDUCIARY</u>	<u>ACCOUNT GROUPS</u>			
	<u>FUND TYPE</u>	<u>FUND TYPE</u>	<u>GENERAL</u>	<u>FIXED</u>	<u>LONG-TERM</u>	<u>TOTALS</u>
	<u>GENERAL</u>	<u>AGENCY</u>	<u>FUNDS</u>	<u>ASSETS</u>	<u>DEBT</u>	<u>(MEMORANDUM</u>
						<u>ONLY)</u>
ASSETS AND OTHER DEBITS						
ASSETS						
Cash	\$ 118,026		\$ 349,818			\$ 467,844
Due from other funds	19,164					19,164
Accounts receivable	26,390		28,538			54,928
Furniture and equipment				\$ 87,316		87,316
OTHER DEBITS						
Amount to be provided for retirement of general long-term debt					\$ 9,206	9,206
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$ 163,580</u>		<u>\$ 378,356</u>	<u>\$ 87,316</u>	<u>\$ 9,206</u>	<u>\$ 638,458</u>
LIABILITIES, EQUITY AND OTHER CREDITS						
LIABILITIES						
Due to other funds		\$ 19,164				\$ 19,164
Accounts payable	\$ 13,655		13,344			26,999
Payroll taxes withheld and payable						21
Compensated absences					\$ 9,206	9,206
Amount held for others			<u>345,848</u>			<u>345,848</u>
Total Liabilities	<u>13,676</u>		<u>378,356</u>		<u>9,206</u>	<u>401,238</u>
EQUITY AND OTHER CREDITS						
Investment in general fixed assets				\$ 87,316		87,316
Fund balance - unreserved - undesignated	<u>149,904</u>					<u>149,904</u>
Total Equity and Other Credits	<u>149,904</u>			<u>87,316</u>		<u>237,220</u>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<u>\$ 163,580</u>		<u>\$ 378,356</u>	<u>\$ 87,316</u>	<u>\$ 9,206</u>	<u>\$ 638,458</u>

**ALEXANDRIA/ PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
GENERAL FUND  
STATEMENT FOR REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 1999**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Intergovernmental -			
Rapides Parish Hotel-Motel Tax	\$ 323,961	\$ 332,224	\$ 8,263
City Of Alexandria- Downtown Tax	29,563	31,378	1,815
State of Louisiana Hotel-Motel Tax	100,128	116,081	15,953
Grant - State Of Louisiana	10,000	5,687	(4,313)
Interest Income	<u>0</u>	<u>1,523</u>	<u>1,523</u>
Total Revenues	463,652	486,893	23,241
<b>EXPENDITURES</b>			
Current -			
Collection Expenses	5,400	5,013	387
Salaries	200,245	216,629	(16,384)
Contract Services	3,600	1,694	1,906
Payroll taxes	18,022	13,878	4,144
Retirement Contribution	8,962	6,892	2,070
Group Hospitalization	26,793	25,887	906
Audit, Accounting, And Legal	6,000	5,200	800
Gas, Oil, And Repairs	3,576	3,455	121
Automobile Expenses	1,804	1,060	744
Dues And Subscriptions	6,685	8,162	(1,477)
Entertainment And Hospitality	5,300	6,057	(757)
Travel	23,000	28,213	(5,213)
Equipment Rental	4,500	4,963	(463)
Business Lunch Expense	1,100		1,100
Automobile Rent	900	1,575	(675)
Telephone	15,000	15,689	(689)
Utilities	3,000	1,143	1,857
Insurance	4,000		4,000
Postage	6,000	5,229	771
Repairs And Maintenance	2,000	3,751	(1,751)
Office Supplies	4,200	5,394	(1,194)
Promotional	69,004	68,368	636
Brochures - Printing And Distribution	12,750	7,304	5,446
Advertising	21,710	15,103	6,607
Grant Expense	<u>10,000</u>	<u>5,687</u>	<u>4,313</u>
Total Expenditures	<u>463,551</u>	<u>456,346</u>	<u>7,205</u>
<b>EXCESS ( DEFICIENCY ) OF REVENUES OVER EXPENDITURES</b>	101	30,547	30,446
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>119,357</u>	<u>119,357</u>	<u>-0-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 119,458</u>	<u>\$ 149,904</u>	<u>\$ 30,446</u>

The accompanying notes are an integral part of the financial statements.



**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**A. 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.

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.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**A. Reporting Entity (continued)**

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.

**B. Fund Accounting**

The Alexandria/Pineville Area Convention and Visitors Bureau uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category is, in turn, divided into separate "fund types". The Bureau does not have any proprietary funds.

Governmental funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.



**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**B. Fund Accounting (continued)**

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 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 general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau contain two account groups. These are the General Fixed Assets and General Long-Term Debt Account Groups.

**C. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**C. Basis of Accounting (continued)**

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Hotel-motel taxes are considered "measurable" when in the hands of the collecting government and are recognized as revenue at that time. A ninety day availability period is used for revenue recognition.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, if any, are recorded as fund liabilities when due.

Those revenues susceptible to accrual are hotel-motel occupancy taxes, matching funds from the state or other entity, and interest revenue.

**D. Budgets**

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at the end of the calendar year.

**E. Cash**

*Cash includes amounts in demand deposits.*

**F. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**G. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the General Fund, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost. Assets in the General Fixed Assets Account Group are not depreciated.

**H. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources, if any, is reported as an expenditure and a fund liability of the General Fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. In accordance with the provisions of Statement of Financial Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**I. Memorandum Only - Total Column**

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**J. Estimates**

The preparation of the general purpose 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**2. LEGAL COMPLIANCE - BUDGETS**

The Bureau follows these procedures in establishing the budgetary data reflected in these financial statements.

1. The Executive Director prepares an annual proposed budget for the General Fund and submits the same to the Board of the Alexandria/Pineville Area Convention and Visitors Bureau prior to the beginning of each calendar year.
2. Any amendments to the budget must have approval from the Board of the Alexandria/Pineville Area Convention and Visitors Bureau. The level of control is at the fund level.
3. All budgetary appropriations lapse at the end of each calendar year.

Budgets were prepared on a modified accrual basis of accounting and adopted consistent with Louisiana Revised Statutes 39:1301-1314, which provides in part that appropriations for the fund cannot exceed estimated revenues plus fund balance. The budgeted amounts presented in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual represent the latest amended budget amounts.

**3. CASH**

At December 31, 1999, the Bureau's general fund cash consisted of demand deposits held at two financial institutions in the Central Louisiana area. These demand deposits had bank balances totaling \$133,799 and were covered by federal depository insurance.

The carrying amount of agency fund deposits held in repurchase agreements with financial institutions was \$349,818. The City of Alexandria follows the practice of pooling cash balances and investing these funds in overnight investments including repurchase agreements. Under Governmental Accounting Standards Board (GASB) Statement 3 guidelines, these investments are classified as a Category 2 credit risk. The repurchase agreements are uninsured and unregistered with the securities held by the financial institution in the City's name.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**4. DUE TO/FROM OTHER FUNDS**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Alexandria Riverfront Center Operating Fund	\$ 19,164

**5. ACCOUNTS RECEIVABLE**

	<u>General Fund</u>	<u>AGENCY FUND Alexandria Riverfront Center Operating Fund</u>	<u>TOTAL</u>
State of LA hotel-motel tax rebate	\$ 21,823	\$ 28,225	\$ 50,048
Other	<u>4,567</u>	<u>313</u>	<u>4,880</u>
Total	<u>\$ 26,390</u>	<u>\$ 28,538</u>	<u>\$ 54,928</u>

**6. FIXED ASSETS**

Changes in General Fixed Assets are detailed below:

	<u>BALANCE 1/1/99</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 12/31/99</u>
Automobile	\$ 36,008	-0-	-0-	\$ 36,008
Office Equipment	39,364	-0-	-0-	39,364
Furniture and fixtures	<u>11,944</u>	<u>-0-</u>	<u>-0-</u>	<u>11,944</u>
	<u>\$ 87,316</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 87,316</u>

The fixed assets purchased for the Alexandria Riverfront Center are assets of the City of Alexandria and are not included in the Bureau's General Fixed Assets.



**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**7. LONG-TERM DEBT**

The following is a summary of changes in general long-term debt:

	<u>COMPENSATED ABSENCES</u>
Balance, Beginning of Year	\$ 5,593
Add: Net Vacation Accrued	<u>3,613</u>
Balance, End of Year	<u>\$ 9,206</u>

**8. CHANGES IN AMOUNTS HELD FOR OTHERS IN AGENCY FUNDS**

	Alexandria Riverfront Center Reserve <u>Fund</u>	Alexandria Riverfront Center Operating <u>Fund</u>	<u>Total</u>
Balances, Beginning of Year	\$ 218,232	\$ 139,994	\$ 358,226
Additions:			
City of Alexandria, city-wide tax		158,354	158,354
State of LA hotel-motel tax rebate		137,104	137,104
Rental income		176,363	176,363
Concessions income		2,757	2,757
Interest income	<u>11,367</u>	<u>6,679</u>	<u>18,046</u>
Total Additions	11,367	481,257	492,624
Reductions:			
Salaries		157,636	157,636
Contract labor		88,725	88,725
Collection expense		2,187	2,187
Dues and subscriptions		590	590
Professional fees		3,500	3,500
Concessions		5,009	5,009
Equipment maintenance		14,404	14,404
Equipment rental		781	781
Insurance		43,556	43,556



**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Capital Outlay	8,466	8,466
Maintenance contracts/security	23,414	23,414
Travel	3,811	3,811
Supplies, postage, and printing	27,812	27,812
Promotions	2,050	2,050
Retirement	6,318	6,318
Repairs and maintenance	22,074	22,074
Taxes	18,618	18,618
Telephone	15,179	15,179
Utilities	<u>60,872</u>	<u>60,872</u>
Total Reductions	<u>0</u>	<u>505,002</u>
Balances, End of Year	<u>\$ 229,599</u>	<u>\$ 345,848</u>

**9. OPERATING LEASE**

The Bureau entered into a sixty month copier operating lease on August 20, 1996, at \$372 per month. Future minimum payments on the copier are as follows:

2000	4,469
2001	<u>2,979</u>
	<u>\$ 7,448</u>

**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 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

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
DECEMBER 31, 1999**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

the Center and its operations. This management agreement expires on the last day of March, 2001, but shall automatically renew for an additional five (5) year period unless notice by either party is given to the other party which cancels the agreement. Also, this agreement may be terminated if the balance in the Alexandria Riverfront Center falls below \$100,000.

**11. DEFINED CONTRIBUTION PENSION 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 Bureau contributes five percent (5%) of the employee's salary to the plan. Monthly contributions were made for employees during 1999 totaling \$6,838.

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.

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER  
SOCIETY OF LOUISIANA  
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 *GOVERNMENT AUDITING STANDARDS*

Board of Directors

Alexandria/Pineville Area Convention & Visitors' Bureau

We have audited the general purpose financial statements of Alexandria/Pineville Area Convention & Visitors' Bureau (a non-profit organization) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 27, 2000. 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 Council'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 material 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 Council'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be 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 financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-02, 99-01, 99-02 and 99-03.

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 reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the Board of Directors, management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "August Ball of Deloitte". The signature is written in a cursive, flowing style.

Certified Public Accountants  
June 27, 2000

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 1999**

**PART I - SUMMARY OF AUDITOR'S RESULTS**

1. We issued an unqualified opinion on the general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau as of and for the year ended December 31, 1999.
2. Our tests of internal control over financial reporting based on an audit of general purpose financial statements performed in accordance with *Government Auditing Standards* disclosed reportable conditions involving the internal control and compliance over financial reporting and its operation. These reportable conditions are described in Findings 98-02, 99-01, 99-02 and 99-03.
3. Our tests of compliance based on an audit of general purpose financial statements performed in accordance with *Government Auditing Standards* disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**PART II - FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED TO BE  
REPORTED UNDER *GOVERNMENT AUDITING STANDARDS***

**FINDING 98-02 - PAYROLL RECONCILIATION**

We noted that salaries expense recorded on the Bureau's general ledger does not agree with the total salaries and wages recorded on the Bureau's payroll journal and payroll tax returns. The payroll journal is used to prepare quarterly and annual payroll tax returns and should agree with the general ledger to prevent any potential over or under reporting of payroll taxes to the Internal Revenue Service and ensure accurate financial reporting.

We recommend that the Bureau establish a procedure to reconcile salaries expense from the general ledger to the payroll journal to assist in timely detecting potential misclassifications and ensure accurate financial and payroll tax reporting.



**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 1999**

**(Continued)**

**FINDING 99-01 - MAINTAINING SUBSIDIARY LEDGERS**

We noted that the Bureau does not maintain subsidiary ledgers for accounts receivable or accounts payable nor are they periodically reconciled to the general ledger. The subsidiary ledgers contain details of obligations to vendors and funds due the Bureau. Maintaining the ledgers and reconciling them to the general ledger should prevent oversights in collecting revenues or not timely remitting obligations.

We recommend that the Bureau establish procedures to maintain the accounts receivable and accounts payable subsidiary ledgers, periodically age the amounts due, and reconcile them to the general ledger.

**FINDING 99-02 - RECORDING ACCOUNTS RECEIVABLE**

Occasionally the Bureau will advance funds on behalf of other entities for promotional material, travel, etc. These disbursements have been recorded as an expense with the corresponding reimbursement recorded as an offset to the expense or directly to revenue. These disbursements should be recorded in accounts receivable otherwise both revenues and expenses will be overstated. Since all revenue and expense accounts are closed at year-end, any un-reimbursed items will not be preserved for future tracking and amounts due the Bureau may not be collected.

We recommend that the Bureau establish a procedure to record pass-through funds in accounts receivable.

**FINDING 99-03 - DATA BACKUP AND SECURITY**

We noted that the Bureau does not have adequate procedures for computer data backup and recovery. A computer failure in December of 1999 resulted in lost bank reconciliations from April through December 1999, which had to be recreated. While testing the reconciliations, we noted that transactions were retroactively posted into fiscal year 1999 after final financial statements had previously been run. Retroactive posting of transactions to the general ledger without proper controls could effectively screen transactions from budget comparison and Board review.

We recommend that the Bureau establish procedures for periodically backing up all computer data files and testing their recovery. The Bureau should also establish procedures to ensure that all transactions are posted to the proper accounting period and are properly approved and documented.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 1999**

**SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

No findings to report.

**SECTION II - MANAGEMENT LETTER**

**FINDING 1998- 01**

Employee pay rates should be appropriately documented. Resolved.

**FINDING 1998-02**

Bureau's management should establish a procedure to reconcile salaries and wages from payroll tax returns to the general ledger. Not Resolved.

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

**CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 1999**

Auditor Ref. Number

- 98-02      *Procedures will be established to timely reconcile our salaries and wages expense from the general ledger to the quarterly payroll tax reports.*
- 99-01      *Procedures will be established to reconcile our accounts payable and accounts receivable ledgers to the general ledger accounts. We will also age those payables and receivables to ensure that funds due the Bureau are timely collected and that our liabilities are promptly paid.*
- 99-02      *We will examine our procedures for recording funds due the Bureau and make necessary changes to ensure that they are appropriately recorded in the general ledger.*
- 99-03      *The Bureau is currently evaluating all of our computer system requirements. We will implement back-up and recovery procedures to ensure that all computer data files are properly secured. We will also implement procedures to ensure that transactions are recorded in the proper period.*

Name of Contact Person: Mrs. Jill Kidder, Executive Director

Date: June 27, 2000