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**St. Mary Parish Tourist Commission  
State Of Louisiana**

**Report On Examination Of  
Financial Statements**

**For The Years Ended  
September 30, 1999 and 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 3-1-00

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
St. Mary Parish Tourist Commission  
Morgan City, Louisiana

We have audited the accompanying general purpose financial statements of the St. Mary Parish Tourist Commission, a component unit of the Parish of St. Mary, State of Louisiana, as of and for the years ended September 30, 1999 and 1998, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish Tourist Commission as of September 30, 1999 and 1998, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2000, on our consideration of St. Mary Parish Tourist Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*LeBlanc and Carpenter*

January 20, 2000  
Morgan City, Louisiana

ST. MARY PARISH TOURIST COMMISSION

Combined Balance Sheet - All Fund Types and Account Groups

September 30, 1999

	<u>Governmental Funds</u>		<u>Account Groups</u>
	<u>General Funds</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>
<b>ASSETS</b>			
Cash	\$ 57,586	\$ 4,497	\$ --
Investments	78,314	137,249	--
Due from other govt. units			
Hotel/Motel taxes	20,994	81,215	--
Prepaid expenses	2,281	--	--
Furniture and equipment	--	--	43,821
Land, building and improvements	<u>          --</u>	<u>          --</u>	<u>251,164</u>
<b>TOTAL ASSETS</b>	<u><b>\$159,175</b></u>	<u><b>\$222,961</b></u>	<u><b>\$294,985</b></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 8,284	\$ 7,311	\$ --
Payroll Taxes	<u>3,035</u>	<u>          --</u>	<u>          --</u>
<b>TOTAL LIABILITIES</b>	<u>11,319</u>	<u>7,311</u>	<u>          --</u>
<b>Fund balances</b>			
Reserved	--	215,650	--
Unreserved - undesignated	147,856	--	--
Investment in fixed assets	<u>          --</u>	<u>          --</u>	<u>294,985</u>
<b>TOTAL FUND BALANCES</b>	<u>147,856</u>	<u>215,650</u>	<u>294,985</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><b>\$159,175</b></u>	<u><b>\$222,961</b></u>	<u><b>\$294,985</b></u>

Totals (Memo Only)	
<u>9-30-99</u>	<u>9-30-98</u>
\$ 62,083	\$211,387
215,563	77,160
102,209	147,015
2,281	2,167
43,821	40,642
<u>251,164</u>	<u>159,521</u>
\$677,121	\$637,892
\$ 15,595	\$ 7,072
<u>3,035</u>	<u>2,909</u>
<u>18,630</u>	<u>9,981</u>
215,650	261,314
147,856	166,434
<u>294,985</u>	<u>200,163</u>
<u>658,491</u>	<u>627,911</u>
\$677,121	\$637,892

See accompanying notes to financial statements.

ST. MARY PARISH TOURIST COMMISSION

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance

For The Years Ended September 30, 1999 and 1998

	<u>Governmental Funds</u>		<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>	
			<u>9-30-99</u>	<u>9-30-98</u>
<b>REVENUES</b>				
Hotel-Motel tax	\$235,766	\$210,722	\$446,488	\$665,635
Interest	3,910	7,249	11,159	3,786
Other revenues	40	--	40	1,427
<b>TOTAL REVENUES</b>	<u>239,716</u>	<u>217,971</u>	<u>457,687</u>	<u>670,848</u>
<b>EXPENDITURES</b>				
Administrative salaries	105,829	--	105,829	99,620
Publicity and promotion	75,128	--	75,128	60,331
Grants - tourism projects	--	33,449	33,449	82,796
Marketing project	--	3,500	3,500	16,249
Travel expense	4,996	--	4,996	5,159
Dues and subscriptions	4,799	--	4,799	4,447
Equipment rental	5,447	--	5,447	5,360
Insurance	2,115	--	2,115	3,114
Health insurance	12,124	--	12,124	9,839
Audit fees	3,285	--	3,285	2,750
Legal	433	--	433	792
Office expense	16,421	--	16,421	15,983
Payroll taxes	8,746	--	8,746	8,132
Postage	11,089	--	11,089	9,408
Promotion and entertainment	2,257	--	2,257	2,080
SEP retirement plan	10,700	--	10,700	7,084
Telephone	8,649	--	8,649	9,365
Travel and conventions	6,932	--	6,932	10,898
Utilities	4,247	--	4,247	5,419
Repairs and maintenance	6,254	2,823	9,077	25,085
Capital outlay-fixed assets	3,180	157,738	160,918	12,268
Special projects	4,972	--	4,972	3,195
Brochure printing	9,418	--	9,418	12,614
Special events	7,265	--	7,265	16,016
Billboards	4,138	4,125	8,263	9,697
Education	2,358	--	2,358	5,169
<b>TOTAL EXPENDITURES</b>	<u>320,782</u>	<u>201,635</u>	<u>522,417</u>	<u>442,870</u>
Excess of revenues over (under) expenditures	(81,066)	16,336	(64,730)	227,978

	<u>Governmental Funds</u>		<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u> <u>9-30-99</u>	<u>9-30-98</u>
Excess of revenues over (under) expenditures	(81,066)	16,336	(64,730)	227,978
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers from other funds	62,000	--	62,000	--
Operating transfers to other funds	--	(62,000)	(62,000)	--
State grant – litter abatement	7,738	--	7,738	--
Litter abatement grant expenditures	(7,250)	--	(7,250)	--
Total other financing sources (uses)	<u>62,488</u>	<u>(62,000)</u>	<u>488</u>	<u>--</u>
Excess of revenues and other sources over (under) expenditures and other uses	(18,578)	(45,664)	(64,242)	227,978
Fund balance, beginning	<u>166,434</u>	<u>261,314</u>	<u>427,748</u>	<u>199,770</u>
Fund balance, ending	\$147,856	\$215,650	\$363,506	\$427,748

See accompanying notes to financial statements.



ST. MARY PARISH TOURIST COMMISSION  
 Combined Statement of Revenues, Expenditures, and  
 Changes In Fund Balance-Budget and Actual  
 General and Special Revenue Funds  
 For The Year Ended September 30, 1999

	<u>General Fund</u>		Variance - favorable
	<u>Budget</u>	<u>Actual</u>	<u>(unfavorable)</u>
REVENUES			
Hotel-Motel tax	\$204,000	\$235,766	\$ 31,766
Interest	3,500	3,950	450
State litter grant (net)	0	488	488
Transfer from other fund	<u>90,962</u>	<u>62,000</u>	<u>(28,962)</u>
TOTAL REVENUES	<u>298,462</u>	<u>302,204</u>	<u>3,742</u>
EXPENDITURES			
Transfer to other fund	--	--	--
Administrative salaries	110,846	105,829	5,017
Publicity and promotion	60,000	75,128	(15,128)
Grant - tourist projects	--	--	--
Marketing projects	--	--	--
Travel expense	5,200	4,996	204
Dues and subscriptions	4,241	4,799	(558)
Equipment rental	5,448	5,447	1
Insurance	2,381	2,115	266
Health insurance	12,026	12,124	(98)
Audit fees	3,075	3,285	(210)
Legal	567	433	134
Office expense	14,500	16,421	(1,921)
Payroll taxes	9,422	8,746	676
Postage	9,500	11,089	(1,589)
Promotion and entertainment	3,000	2,257	743
SEP retirement plan	10,199	10,700	(501)
Telephone	8,658	8,649	9
Travel and conventions	5,000	6,932	(1,932)
Utilities	5,202	4,247	955
Repairs and maintenance	6,800	6,254	546
Capital outlay-fixed assets	7,000	3,180	3,820
Special projects	3,000	4,972	(1,972)
Brochure printing	30,255	9,418	20,837
Special events	5,900	7,265	(1,365)
Billboards	4,242	4,138	104
Education	<u>2,000</u>	<u>2,358</u>	<u>(358)</u>
TOTAL EXPENDITURES	<u>328,462</u>	<u>320,782</u>	<u>7,680</u>
Excess of revenues over (under) expenditures	(30,000)	(18,578)	11,422
Appropriation of Fund Balance-Cash Reserves	<u>30,000</u>	<u>--</u>	<u>--</u>
Fund balance, beginning	<u>166,434</u>	<u>166,434</u>	<u>--</u>
Fund balance, ending	\$136,434	\$147,856	\$ 11,422



<u>Budgeted Special Revenue</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable ( unfavorable)</u>
\$ 253,000	\$ 210,722	\$ (42,278)
--	7,249	7,249
--	--	--
--	--	--
<u>253,000</u>	<u>217,971</u>	<u>(35,029)</u>
90,962	62,000	28,962
--	--	--
--	--	--
20,000	33,449	(13,449)
20,000	3,500	16,500
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	2,823	(2,823)
213,000	157,738	55,262
--	--	--
--	4,125	(4,125)
--	--	--
<u>343,962</u>	<u>263,635</u>	<u>80,327</u>
(90,962)	(45,664)	45,298
<u>90,962</u>	<u>--</u>	<u>--</u>
<u>261,314</u>	<u>261,314</u>	<u>--</u>
\$170,352	\$ 215,650	\$ 45,298

See accompanying notes to financial statements.

# ST. MARY PARISH TOURIST COMMISSION

## Notes To Financial Statements

September 30, 1999

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Mary Parish Tourist Commission was created and established on October 23, 1991 by ordinance #1151 of the St. Mary Parish Council under authority of Act 19 of the Louisiana Legislature of 1975, to be effective February 1, 1992. The Commission shall be composed of nine directors, appointed by the St. Mary Parish Council for terms of three years, with three appointments expiring each year, and to serve without compensation. The Commission was formed for the purpose of promoting tourism within the Parish of St. Mary, State of Louisiana. The Commission has the authority to sue and be sued, to accept grants or donations of every type, to make capital improvements for the purpose of obtaining Federal Funds, to do all things necessary for promotion and advertisement and publication of information relating to tourist attractions within its jurisdiction. Act 19 as amended, authorized the governing authority of the Parish to levy and collect a tax not to exceed 4% of the rent or fee for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Commission to fund the operations of the Commission.

The accounting and reporting practices of the St. Mary Parish Tourist Commission conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies and practices.

#### Reporting Entity

GASB Statement No. 14, Governmental Reporting Entity, establishes criteria for determining which organizations should be included in a governmental financial reporting entity. The focal point for defining the financial reporting entity is the primary government. The St. Mary Parish Tourist Commission is a component unit of the St. Mary Parish Council (primary government) and, as such, these financial reports may be included in the CAFR of the Council for the year ended December 31, 1999. The St. Mary Parish Tourist Commission has followed GASB-14 guidance to determine that there are no financial statements of other organizations that should be combined with their statements to form a financial reporting entity.

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Fund Accounting

The Commission reports its financial position and results of operations by using funds and accounts groups. Each fund is a separate accounting entity with self-balancing accounts that include assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. An account group is a self-balancing set of accounts used for financial reporting purposes 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.

The funds are grouped by fund type and classified into three broad fund categories: governmental, proprietary and fiduciary. There are two account groups. The funds and account group presented in these financial statements are described below.

GOVERNMENTAL FUNDS are accounted for on a current financial resources measurement focus. The balance sheets generally contain only current assets and current liabilities. The reported fund balance (net current assets) is a measure of “available spendable resources.” Governmental funds’ operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) of net current assets during a period.

The GENERAL FUND is the general operating and administrative fund of the Commission. It accounts for all financial resources except those required to be accounted for in another fund or account group.

The SPECIAL REVENUE FUND is used to account for the proceeds of specific revenue sources, the expenditures for which are legally restricted for purposes specified by law.

GENERAL FIXED ASSETS ACCOUNT GROUP is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

### Basis of Accounting

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

The Commission uses the modified accrual basis of accounting for governmental fund types (general and special revenue). The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.



## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Accounting (Continued)

Major revenue sources susceptible to accrual include hotel/motel taxes. Hotel-Motel occupancy taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time.

### Budgets and Budgetary Accounting

The St. Mary Parish Tourist Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP), which for the General and Special Revenue Funds is the modified accrual basis of accounting.
- b. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual present comparisons of legally adopted budgets with actual data on a budgetary basis for the General and Special Revenue Funds. These budgets were amended by the Board of Commissioners in public meetings.
- c. The Commission approves and adopts total budget revenue and expenditures only. The Commission transfers budget amounts between expenditure classifications within the General and Special Funds. Therefore, the level of budgetary responsibility is by total expenditures; however, for report purposes, this level has been expanded to classifications of expenditures. Unused appropriations lapse at the end of the year.

### Deposits and Investments

Cash includes amounts in demand deposit checking and money market checking accounts.

State statutes authorize the Commission to invest in direct obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of principal and interest of such obligations is fully guaranteed by the United States; obligations of U.S. government instrumentalities which are federally sponsored; direct security repurchase agreements of obligations of the U.S. Treasury or U.S. government instrumentalities; time certificates of deposit or savings accounts; mutual or trust fund institutions which have underlying investments consisting solely of and limited to securities of the United States government or its agencies; Louisiana Asset Management Pool (LAMP); and any other investment allowed by state statute for local governments.

Investments are stated at cost or amortized cost when applicable.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets.

Total Column on the Combined Balance Sheet

The total column on the Combined Balance Sheet is captioned Memorandum Only to indicate it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - DEPOSITS AND INVESTMENTS

**DEPOSITS:** September 30, 1999, the Tourist Commission has cash and cash equivalents totaling \$277,646, as follows:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Cash on hand and in demand deposits	\$ 57,586	\$ 4,497	\$ 62,083
LAMP	--	137,249	137,249
Time deposits	<u>78,314</u>	<u>--</u>	<u>78,314</u>
Total	<u>\$135,900</u>	<u>\$141,746</u>	<u>\$277,646</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by \$100,000 FDIC/FSLIC federal deposit insurance or the market value of pledged 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. 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. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

The Commission's deposits are categorized to give an indication of the level of risk assumed by the Commission at September 30, 1999:

Category 1 - Insured or collateralized with securities held by the Commission or by its agent in the Commission's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Commission's name.

Category 3 - Uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Commission's name)

Deposits and investments categorized by level of risk are:

Amounts insured by the FDIC or collateralized with securities held by the Commission in its name	\$140,397
Amounts collateralized with securities held by the pledging financial institution's trust department in the Commission's name	--
Uncollateralized	<u>          --</u>
Total deposits and investments	<u>\$140,397</u>

The Tourist Commission had \$137,249 invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP as of September 30, 1999 is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP investments are restricted to



NOTE B - DEPOSITS AND INVESTMENTS (Continued)

securities issued, guaranteed, or backed by the U.S. Treasury, the U. S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Due to this immediate access feature, investments in LAMP are considered cash equivalents by the Tourist Commission.

NOTE C - DUE FROM OTHER GOVERNMENTAL UNITS

Hotel/Motel taxes in the hands of intermediary collecting governments are considered measurable and are recognized as revenue at that time. Hotel/Motel taxes receivable at September 30, 1999 and 1998 were recognized by the following governmental funds:

	<u>1999</u>	<u>1998</u>
<u>General Fund:</u>		
Due from St. Mary Parish Sales and Use Tax Dept.	\$ 20,994	\$ 23,521
<u>Special Revenue Fund:</u>		
*Due from Treasurer of the State of Louisiana	<u>81,215</u>	<u>123,494</u>
Total	<u>\$102,209</u>	<u>\$147,015</u>

\* These funds are payable out of the State General Fund by statutory dedications out of the St. Mary Parish Visitor Enterprise Fund in accordance with the General Appropriations Bills for 1999 and 1998. These funds are dedicated by the State from hotel/motel tax collections. Total amount appropriated to the Commission for each of the State fiscal periods June 30, 2000 and June 30, 1999 is \$253,000.

NOTE D - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>9-30-98</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance</u> <u>9-30-99</u>
Land	\$ --	\$ 61,796	\$ --	\$ 61,796
Furniture & Equipment	40,642	3,179	--	43,821
Building & Improvements	<u>159,521</u>	<u>95,942</u>	<u>(66,095)</u>	<u>189,368</u>
Total	<u>\$200,163</u>	<u>\$160,917</u>	<u>\$ (66,095)</u>	<u>\$294,985</u>

#### NOTE E - BOARD OF COMMISSIONERS AND PER DIEM ALLOWANCE

As of September 30, 1999 or during the period then ended, the following individuals served on the Board of Commissioners. The Commission did not pay any per diem allowances to its board members during the year.

<u>Name</u>	<u>Months of Service</u>
Henry Lee	12
Connie Thomas	12
Jodie Johnson	12
Lenny Dartez	12
Jessie Morton	12
Al Kuhlman	12
Dudley Plaisance	12
Sharon Howell	12
David Bourdier	12

#### NOTE F - SPECIAL REVENUE FUND

Act No. 823 as approved by the Louisiana Legislature in July, 1997 enacted LSA-R.S. 47:302.31, 322.2 and 332.26 to create the St. Mary Parish Visitor Enterprise Fund; to dedicate certain monies to the fund and to provide for uses of monies in the fund.

The monies in the St. Mary Parish Visitor Enterprise Fund shall be subject to an annual appropriation by the legislature and shall be available exclusively for use by the St. Mary Parish Tourist Commission to fund the development of tourism and other economic growth projects within the parish of St. Mary. All unexpended and unencumbered monies in the fund shall remain in the fund. The monies in the fund shall be invested by the treasurer in the same manner as the monies in the state general fund, and all interest earned shall be deposited into the state general fund.

For the state fiscal years, June 30, 1999 and June 30, 2000, the legislature approved an appropriation in the amount of \$253,000 to the St. Mary Parish Tourist Commission from the St. Mary Parish Visitor Enterprise Fund. The St. Mary Parish Tourist Commission Board of Commissioners has developed guidelines to administer the spending of these funds by the Commission in accordance with the restricted purposes as specified by law. The Commission is accounting for these funds in a special revenue fund.

#### NOTE G - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the District's operations as early as fiscal year 1999.

NOTE G - YEAR 2000 ISSUE (Continued)

St. Mary Parish Tourist Commission has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the District's operations:

- Sales tax collection and remittance for the District is handled by St. Mary Parish Sales & Use Tax Department. The Sales & Use Tax Department is responsible for remediating their system, and is solely responsible for any costs associated with this project. The Sales & Use Tax Department has begun the remediation process on their system.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the Commission's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready. As of this report date, no adverse problems have been encountered related to the Year 2000 issue.

ST. MARY PARISH TOURIST COMMISSION  
STATE OF LOUISIANA

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

PERIODS ENDED SEPTEMBER 30, 1999 AND 1998

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
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To the Board of Commissioners  
St. Mary Parish Tourist Commission  
Morgan City, Louisiana

We have audited the general purpose financial statements of St. Mary Parish Tourist Commission, as of and for the years ended September 30, 1999 and 1998, and have issued our report thereon dated January 20, 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 St. Mary Parish Tourist Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

## PRIOR AUDIT FINDINGS

### 1. Local Budget Act – Public Notification

The September 30, 1998 budget was adopted without notification of availability for public inspection and participation. The Board of Commissioners respond that it was an oversight on their part although the budget was reviewed, adopted, and amended in open meeting. The proper notification and availability for public inspection of the proposed budget and other requirements of the Local Budget Act were met in preparation and adoption of the September 30, 1999 budget.



## **2. Cash Management – Inadequate Security**

During 1998 the District had maintained in excess of \$100,000 in a checking account without receiving the pledge of acceptable securities from the financial institution. Upon notification, the Board of Commissioners immediately transferred the unsecured funds to the Louisiana Asset Management Pool (LAMP) and instructed the Director and bookkeeper to be aware of this requirement and provide notice to the Board when unsecured funds may exist. The Board will closely monitor the monthly financial statements for the possible existence of unsecured funds.

## **3. Cash Management – Idle Funds**

In 1998, the Board of Commissioners failed to identify and invest idle funds. The Board instructed its Director and bookkeeper to establish accounts with Louisiana Asset Management Pool (LAMP) so that idle funds in the General and Special Revenue Funds may be invested on a timely basis. The Board will monitor monthly financial statements and upcoming program needs to project the existence of idle funds that may be invested. During 1999, idle funds were transferred in and out of the LAMP account in order to maximize earnings and meet financial funding needs.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered St. Mary Parish Tourist Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. 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 judgment, could adversely affect St. Mary Parish Tourist Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Our examination disclosed that there is very little segregation of duties within the District's accounting function, particularly in the areas of cash receipts, bank reconciliations, cash disbursements, general ledger and journal entries. This weakness is due to the fact that the Commission employs only two persons in the bookkeeping function. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, due to the limited number of accounting personnel, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also, the cost of additional employees might exceed any benefits gained. The management of the District is well aware of the loss of internal control that results with their limited staff and are constantly on watch for any problems that would arise.



A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Board of Commissioners (management), St. Mary Parish Council, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*LeBlanc and Carpenter*

January 20, 2000  
Morgan City, Louisiana