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**CREOLE NATURE TRAIL SCENIC
BYWAY DISTRICT**

**FINANCIAL REPORT
(Compiled)**

REPORT ON APPLYING AGREED-UPON PROCEDURES

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 8-30-00

CREOLE NATURE TRAIL SCENIC
BYWAY DISTRICT

FINANCIAL REPORT
December 31, 1999

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CREOLE NATURE TRAIL SCENIC
BYWAY DISTRICT

December 31, 1999

COMMISSIONERS

Monty Hurley - Chairman
Sammie Faulk - Vice-Chairman
Shelley Johnson - Secretary/Treasurer
Malcolm Savoie - Board Member
Paul Guillory - Board Member
Michael Dees - Board Member
Allen Brent Nunez - Board Member
Stacy White - Board Member
Jimmy Brown - Board Member

McELROY, QUIRK & BURCH

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Judson J. McCann Jr., CPA
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Robert M. Gani, CPA, MT**
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Charles J. McElroy, CPA (1917- 1997)
Patrick J. Reddin, CPA (1926- 1995)
Frank D. Burch, CPA (1921- 1991)

INDEPENDENT ACCOUNTANTS' REPORT

Board of Commissioners
Creole Nature Trail
Scenic Byway District
Lake Charles, Louisiana

We have compiled the accompanying general purpose financial statements of the Creole Nature Trail Scenic Byway District as of and for the year ended December 31, 1999, as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements of the Creole Nature Trail Scenic Byway District and, accordingly, do not express an opinion or any other form of assurance on them.

McElroy, Quirk & Burch

Lake Charles, Louisiana
June 28, 2000

CREOLE NATURE TRAIL SCENIC
BYWAY DISTRICT

BALANCE SHEET - GOVERNMENTAL FUND TYPE
December 31, 1999
See Accountants' Compilation Report

	<u>Special Revenue</u>
<u>ASSETS</u>	
Cash	\$ <u>33,851</u>
Total assets	<u>\$ 33,851</u>
 <u>FUND EQUITY</u>	
Fund equity:	
Fund balance:	
Unreserved	\$ <u>33,851</u>
Total fund equity	<u>\$ 33,851</u>

See Notes to Financial Statements.

CREOLE NATURE TRAIL SCENIC
BYWAY DISTRICT

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

Year Ended December 31, 1999
See Accountants' Compilation Report

	Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental revenue:			
Louisiana Department of Transportation and Development and Federal Highway Administration	\$ 116,983	\$ 69,511	\$ (47,472)
Southwest Louisiana Convention and Visitors Bureau	-	27,400	27,400
Total revenues	116,983	96,911	(20,072)
Expenditures:			
Current operating:			
Advertising	-	95,916	(95,916)
Professional services	116,983	-	116,983
Signage	-	3,750	(3,750)
Training	-	3,880	(3,880)
Other	-	114	(114)
Total expenditures	116,983	103,660	13,323
Excess (deficiency) of revenues over expenditures	\$ -	(6,749)	\$ (6,749)
 Fund balance at beginning of year		40,600	
Fund balance at end of year		\$ 33,851	

See Notes to Financial Statements.

CREOLE NATURE TRAIL SCENIC
BYWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting policies of Creole Nature Trail Scenic Byway District, conform to generally accepted accounting principles as applicable to governmental units. 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 the more significant policies:

A. Financial Reporting Entity

The accompanying financial statements include the various activities that are within the control and authority of the Board of Commissioners of the Creole Nature Trail Scenic Byway District. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The Creole Nature Trail Scenic Byway District was created by Act 539 of the Louisiana Legislature on June 18, 1995, as a body politic and corporate and a political subdivision of the State of Louisiana. The purpose of the District is to stimulate economic development and tourism in the parishes of Calcasieu and Cameron. The Creole Nature Trail Scenic Byway District is governed by a board of commissioners consisting of nine members as follows:

Two members selected by the Calcasieu Parish Police Jury
Three members selected by the Cameron Parish Police Jury
One member selected by the Southwest Louisiana Convention and Visitors Bureau
One member selected by the Cameron Parish Tourism Commission
The secretary of the Department of Transportation and Development, ex officio
or his designee
One member selected by the Calcasieu and Cameron Parish legislative
delegation.

The members of the board of commissioners shall serve four-year terms and shall serve until their successors have been appointed and qualified.

NOTES TO FINANCIAL STATEMENTS

Based on the foregoing criteria, the Creole Nature Trail Scenic Byway District has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the Creole Nature Trail Scenic Byway District.

B. Fund Accounting

The accounts of the Creole Nature Trail Scenic Byway District are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

GOVERNMENTAL FUND

Special Revenue Fund - Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes.

C. Fixed Assets and Long-Term Liabilities

The Creole Nature Trail Scenic Byway District has acquired no fixed assets at this date.

The Creole Nature Trail Scenic Byway District has incurred no long-term liabilities.

D. Basis of Accounting

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

The governmental funds are maintained on the modified accrual basis of accounting, utilizing the following practices in recording revenues and expenditures.

NOTES TO FINANCIAL STATEMENTS

Revenues - The governmental fund type uses a current financial resources measurement focus and is accounted for using the modified accrual basis of accounting. The revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are intergovernmental revenue.

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

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 contingent 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.

E. Budgets and Budgetary Accounting

The Secretary-Treasurer prepares a proposed budget and submits same to the Board of Commissioners prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them. During 1999, the budget was not formally adopted by the Board of Commissioners; however, all revenue and expenditure amounts were approved at each meeting of the Board.

Any revisions that alter total expenditures of any fund must be approved by the Board of Commissioners. All budgetary appropriations lapse at the end of each fiscal year. Encumbrance accounting is not used.

Budgets for the Special Revenue Fund are presented on a basis consistent with generally accepted accounting principles (GAAP).

F. Cash

The District is authorized by state statutes to open depositories in only those banks with branch offices in the state. State statutes also authorize the District to invest in U.S. Bonds and Treasury Notes and other federally insured instruments. Investments in time certificates of deposit can be placed with Louisiana state banks or with national banks having their principal office in the state.

NOTES TO FINANCIAL STATEMENTS

2. Cash

The Creole Nature Trail Scenic Byway District maintains demand (cash) deposits through a local depository bank which is a member of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. Government, obligations issued or guaranteed by an agency established by the U.S. Government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality or school district.

Cash and certificates of deposit of the District are classified into three categories to give an indication of the level of risk assumed at year end. Category 1 represents those deposits insured (inclusive of FDIC) or collateralized with securities held by the District or its agent in the District's name. Category 2 represents deposits collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. Category 3 represents deposits uncollateralized including any securities held for the entity but not in the District's name. At December 31, 1999, the cash in bank and the carrying amount of cash totaled \$33,851 and is classified into Category 1.

3. Cooperative Endeavor Agreement

The Southwest Louisiana Convention and Visitors Bureau (Bureau) entered into agreements, during 1997 and 1999, with the Louisiana Department of Transportation and Development (DOTD). The DOTD, with the assistance of the Federal Highway Administration (FHWA) has implemented a Louisiana Scenic Byways Program to improve the Creole Nature Trail. The costs of the projects are a joint participation between the FHWA and the Bureau, with the Bureau contributing the 20% match of the participating cost and the FHWA contributing, through the DOTD, the remaining 80% at the time of authorization.

On December 16, 1999, the Creole Nature Trail Scenic Byway District (District) entered into a cooperative endeavor agreement with the Southwest Louisiana Conventions and Visitors Bureau related to the DOTD Agreements. The District bound itself to the DOTD Agreements to the same extent as if it had been a party thereto and to undertake the projects described in the Agreements. The grants for the projects described in the Agreements were applied for by the Bureau on behalf of the District. The Bureau submits claims to the DOTD for reimbursement of 80% of the project costs and upon receipt of the funds, remits to the District a like amount. The District administers the grant funds, including the local matching funds and reports all disbursements to the Bureau quarterly.

NOTES TO FINANCIAL STATEMENTS

4. Commitments

The Creole Nature Trail Scenic Byway District has executed a contract to receive advertising services for a maximum fee of \$150,000 of which \$95,915 had been paid. The agreement became effective July 13, 1998, and may be terminated by either party in accordance with the contract. The District also entered into a contract for technical assistance in facilitating the Hospitality Training Customer Service Program for a total cost of \$11,638 of which \$3,880 had been paid. This contract may be terminated by either party with seven days notice.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Creole Nature Trail Scenic
Byway District
Lake Charles, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Creole Nature Trail Scenic Byway District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Creole Nature Trail Scenic Byway District's compliance with certain laws and regulations during the year ended December 31, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

All expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000 were identified. We identified no failures to comply with the public bid law in connection with these expenditures.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information. We identified no noncompliance with the code of ethics based on the information received.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees paid by the District during the year ended December 31, 1999.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

There were no employees of the District.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.

6. Trace the budget adoption to the minute book.

We traced the discussion of the original budget to the minutes of a meeting, which indicated that the budget had been reviewed by the commissioners of Creole Nature Trail Scenic Byway District. However, we found no indication in the Board minutes of its adoption. We noted the financial report approved at each Board meeting included the beginning cash balances, each deposit and disbursement individually listed, and the ending cash balance.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budget amounts by more than 5%.

We compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues of the Special Revenue Fund were under budgeted by 17.16%. Actual expenditures of the Special Revenue Fund were under budgeted amounts by 11.39% for the year. We noted that the board reviews and approves all revenues and expenditures at its board meetings.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Each of the disbursements were traced to the district's minute book where they were approved.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

We were provided evidence indicating that the District was in compliance with LSA-RS 42:1 through 42:12.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the district for the year indicated no approval for the types of payments noted. We noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts. There were no employees paid by the District during the year ended December 31, 1999.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Creole Nature Trail Scenic Byway District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

McElroy, Quirk & Buck

Lake Charles, Louisiana
June 28, 2000

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

APPENDIX A

June 27, 2000 (Date Transmitted)

McElroy, Quirk & Burch
Certified Public Accountants
800 Kirby Street
Lake Charles, Louisiana 70601 (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

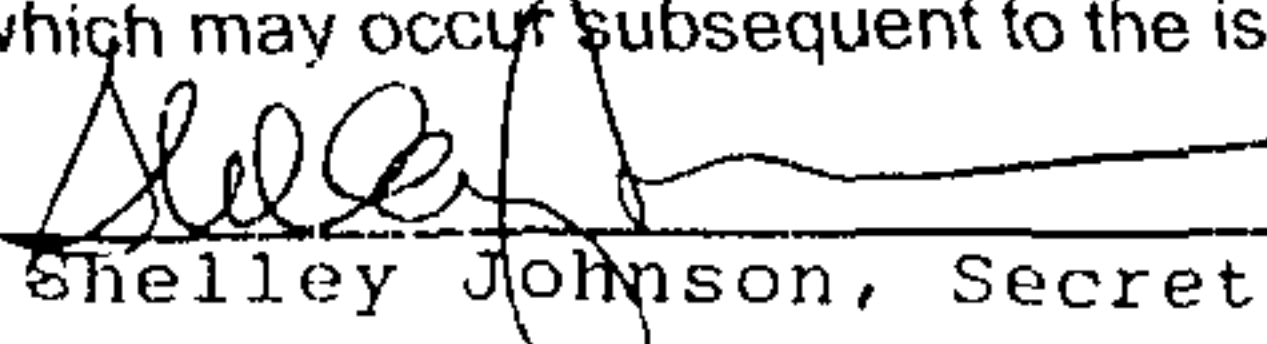
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.


Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Shelley Johnson, Secretary/Treasurer
Secretary 6-27-2000 Date
Treasurer _____ Date



Monte M. Hurley, Chairman
President 6-27-2000 Date



Creole Nature Trail
National Scenic Byway
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August 24, 2000

Board of Commissioners

Monte Hurley
Chairman

Mr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Saramie Faulk
Vice-Chairman

Re: Creole Nature Trail Scenic Byway District
Compilation and Attestation Report
As of and for the Year Ended December 31, 1999

Dear Sir:

Shelley Johnson
Secretary-Treasurer

In response to your correspondence of August 18, 2000 to Ms. Barbara H. Gonzales, McElroy, Quirk & Burch regarding the 1999 compilation and attestation report for the Creole Nature Trail Scenic Byway District, we present the following,

Jimmy Brown

In the future, the Board of Commissioners of the District will formally adopt its budget fifteen (15) days prior to its year end (December 31) and will monitor the budget on a monthly basis and will amend the budget as necessary to comply with LA revised statutes related to 5% variance of actual revenues and expenditures to budgeted revenues and expenditures.

Michael Dees

Paul Guillory

If additional information is needed in order for you to clear this matter, please contact us.

Allen Brent Nunez

Sincerely,

Malcolm Savoie

Shelley Johnson, LCTP
Secretary/Treasurer
CNTSB District

Stacy White

cc: Barbara Hutson Gonzales, CPA
McElroy, Quirk & Burch (APC)