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ST. MARY PARISH TOURIST COMMISSION
STATE OF LOUISIANA

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
SEPTEMBER 30, 1986 AND 1985

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or assigned, duly and other appropriate public officials. The report is available for public inspection at the Eastern District of Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 12 1987

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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, 1996 and 1995, 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, 1996 and 1995, 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 a report dated December 23, 1996 on our consideration of St. Mary Parish Tourist Commission's internal control structure and a report dated December 23, 1996 on its compliance with laws and regulations.

Lerlanc and Carpenter

December 23, 1996
Morgan City, Louisiana

ST. MARY PARISH VOLUNTEER COMMISSION

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 1996

	Governmental	Account	Totals	
	Funds	Groups	Other Only	
	General	General	9-30-96	9-30-95
Funds	Fixed Assets			
ASSETS				
Cash	\$ 59,100	\$ --	\$ 59,100	\$ 59,852
Investments	60,344	--	60,344	40,193
Receivables				
Hotel-Motel taxes	28,875	--	28,875	18,358
Due from other				
governmental units	--	--	--	8,196
Prepaid expenses	896	--	896	557
Furniture and equipment	--	30,347	30,347	25,885
Construction in progress	--	--	--	77,838
Buildings and				
improvements	--	146,301	146,301	--
TOTAL ASSETS	\$145,923	\$176,549	\$322,471	\$228,813
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 3,006	\$ --	\$ 3,006	\$ 4,188
Payroll Taxes	1,773	--	1,773	1,433
401(k) Plan benefits	8,888	--	8,888	--
TOTAL LIABILITIES	13,667	--	13,667	5,621
Fund Balances				
Unassigned - undesignated	137,918	--	137,918	120,384
Investment in fixed assets	--	176,549	176,549	102,121
TOTAL FUND BALANCES	137,918	176,549	314,467	222,505
TOTAL LIABILITIES AND FUND BALANCES	\$145,923	\$176,549	\$322,471	\$228,813

See accompanying notes to financial statements.

ST. MARY PARISH TOURIST COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1996
WITH COMPARATIVE BUDGET/ACTUAL AMOUNTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1995

	9-30-96		Variance (Favorable Unfavorable)
	Budget	Actual	
REVENUES			
Total-Motel Tax	\$100,000	\$93,316	\$ 66,316
Interest	2,880	2,706	786
Other revenues	--	--	--
Parish Council grants	--	32,183	32,183
TOTAL REVENUES	102,880	128,205	25,325
EXPENDITURES			
Administrative salaries	58,000	63,068	7,112
Publicity and promotion	22,401	22,703	3,098
Travel expense	3,400	3,600	--
News and subscriptions	3,234	3,371	137
Equipment rental	2,800	2,331	669
Insurance	2,376	1,644	436
Health insurance	1,826	1,756	(120)
Audit fees	1,350	1,950	--
Legal	--	--	--
Office expense	7,000	8,000	12,000
Payroll taxes	6,700	5,200	3,500
Postage	6,000	6,413	1413
Promotion and entertainment	3,500	3,100	394
SEP retirement plan	6,000	4,000	--
Telephone	6,500	7,278	1700
Travel and conventions	5,800	5,700	(750)
Utilities	4,800	2,800	1,600
Repairs and maintenance	2,200	2,800	(1,400)
Capital outlay-fixed assets	9,870	73,358	(60,488)
Special projects	1,500	2,415	(715)
Brochure printing	6,200	3,222	1,648
Special events	4,500	5,337	(607)
Billboards	6,242	1,242	6,000
Film, video, education	400	300	60
Contract labor	--	--	--
TOTAL EXPENDITURES	180,600	202,381	(142,331)
Excess of revenues over (under) expenditures	120,080	16,722	26,722
Appropriation of Fund			
Balance-Cash Resources	20,000	--	--
Fund balance at beginning of year	130,300	130,300	--
Fund balance at end of year	\$150,300	\$147,078	\$ 33,222

9-28-66

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Hotel-motel tax	\$150,000	\$174,577	\$ 24,577
Interest	1,000	1,527	527
Other revenues	--	0	0
Parish Council grants	---	18,868	18,868
TOTAL REVENUES	151,000	214,972	63,903
EXPENDITURES			
Administrative salaries	46,788	46,042	746
Publicity and promotion	25,000	18,413	6,587
Travel expense	2,400	2,400	--
Books and subscriptions	2,100	2,823	(723)
Equipment rental	3,500	2,188	1,312
Insurance	1,823	2,125	(302)
Health insurance	1,262	1,286	(24)
Audit fees	1,850	1,850	--
Legal	--	75	(75)
Office expense	7,000	6,212	788
Payroll taxes	4,278	3,888	390
Postage	6,000	5,928	72
Promotion and entertainment	1,500	1,967	(467)
Telephones	6,210	6,000	210
Travel and conventions	4,750	4,789	(39)
Utilities	4,500	2,406	2,094
Repairs and maintenance	2,200	2,958	(758)
Capital outlay-fixed assets	25,665	46,188	(20,523)
Special projects	1,500	1,568	(68)
Brochures printing	2,500	6,000	(3,500)
Special events	6,000	3,820	2,180
Billboards	1,000	1,200	(200)
Film, video, education	1,000	558	442
Contract labor	---	1,229	(1,229)
TOTAL EXPENDITURES	173,860	173,436	424
Excess of revenues over (under) expenditures	(22,860)	41,536	64,396
Appropriation of Fund Balance-Cash Reserve	20,000	--	--
Fund balance at beginning of year	79,320	79,320	--
Fund balance at end of year	\$ 76,460	\$120,856	\$ 44,396

See accompanying notes to financial statements.

ST. MARY PARISH TOURIST COMMISSION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Mary Parish Tourist Commission was created and established on October 21, 1981 by Ordinance #1111 of the St. Mary Parish Council under authority of Act 28 of the Louisiana legislature of 1976, to be effective February 1, 1982. The intent of this ordinance was to confine, consolidate and merge the Atchafalaya Delta Tourist Commission created by Ordinance #431 with the Lower Bayou Trade Tourist Commission created by Ordinance #121 into one parish tourist commission. 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 18 as amended, authorized the governing authority of the Parish to levy and collect a tax not to exceed 2% 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 24:137 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit 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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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, 1996. The St. Mary Parish Tourist Commission has followed NARS-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.

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 accounts groups 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 expendable 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 **GENERAL FIXED ASSETS DEFERRED DEPRECIATION** 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.

Basis of Accounting (Continued)

The general fund of the St. Mary Parish Tourist Commission is accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Hotel-Motel occupancy taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenues at that time.

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

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 fund. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP), which for the General Fund is the modified accrual basis of accounting.
- b. The General Fund Statement of Revenues, Expenditures, and changes in fund balance - budget and actual present comparison of legally adopted budgets with actual data on a budgetary basis.
- c. The Commission approves and adopts total budget revenue and expenditures only. The Commission transfers budget amounts between expenditure classifications within the General Fund. 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.

Cash 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; and mutual or trust

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments (Continued)

fund institutions which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

Investments are stated at cost or amortized cost when applicable.

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 as 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 preserve 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 - CASH AND INVESTMENTS

The St. Mary Parish Tourist Commission may invest in time deposits or certificate of deposits of state banks or savings and loan associations or savings banks organized under Louisiana law and national banks having principle offices in Louisiana. At present all of the Commission's cash and investments are in demand deposits and certificates of deposit. State law requires that deposits be fully collateralized at all times. Acceptable collateralization includes the \$100,000 FDIC/FSLIC insurance and the market value of securities purchased and pledged. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Collaterals furnished as security must be held by the Commission or with an unaffiliated bank or trust company for the account of the Commission.

The Commission's cash and investments are categorized to give an indication of the level of risk assumed by the Commission as September 30, 1992:

- 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.

NOTE E - CASH AND INVESTMENTS (CONTINUED)

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)

Cash and investments stated at cost consist of the following:

Cash - Checking	\$ 3,614
Money market checking	58,424
Certificate of Deposit	<u>58,244</u>
Total cash and investments	\$119,282

Cash and investments categorized by level of risk are:

Accounts insured by the FDIC or collateralized with securities held by the Commission in its name	\$119,282
Accounts collateralized with securities held by the pledging financial institution's trust department in the Commission's name	--
Uncollateralized	<u>--</u>
Total cash and investments	\$119,282

NOTE C - DUE FROM OTHER GOVERNMENTAL UNITS

The \$0 and \$8,186 due from the St. Mary Parish Council at September 30, 1998 and 1999, is the amount due for reimbursement of costs incurred to date on the construction of the tourist information center building. See Note E for additional information.

NOTE D - GRANT REVENUES

During the years ended September 30, 1998 and 1999, the Commission received \$82,181 and \$38,888 in grants from the St. Mary Parish Council for reimbursement of funds spent on the construction of a building for a tourist information center. In regard to all grant monies received, the Commission complied with the specific requirements for expenditures of the funds received.

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows.

	Balance 9-30-88	Additions	Dispositional	Balance 9-30-89
Furniture & Equipment	\$ 20,285	\$ 5,252	\$ --	\$ 25,537
Construction in Progress	72,226	63,245	--	135,471
Total	\$102,511	\$74,497	\$ --	\$177,008

Additions for the year ended September 30, 1988 and 1989 included the cost of construction in progress on the construction of a building for a tourist information center for the Commission. The original building was donated by the children of the late Fairfax Foster Bailey. This construction in progress was unincurred and on August 25, 1988 was totally destroyed by "Hurricane Andrew". Therefore the cost of construction in progress at that date has been written-off from the general fixed assets. The St. Mary Parish Council applied for disaster assistance with the Federal Emergency Management Agency (FEMA) to recover the costs of the building since funding for the construction in progress was made by the Council through grants to St. Mary Parish Tourist Commission and Lower Bayou Teche Tourist Commission. FEMA awarded the Council \$31,406 for the building lost. The Council has set-aside these funds as well as an additional \$43,000 approximately for construction of a new tourist information center. The construction was contracted for by the St. Mary Parish Tourist Commission and grants were made by the Council to the Commission to reimburse for the costs incurred. The tourist information center was completed and opened for service in December, 1989.

NOTE F - BOARD OF COMMISSIONERS AND PER DIEM ALLOWANCE

As of September 30, 1988 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.

Name	Months of Service
Henry Lee	12
Donnie Strova	12
Jodie Johnson	12
Levey Darter	12
Jessie Norton	12
AJ Williams	12
Henry Thompson	12
Denise Bradley	12
David Bourdier	12

NOTE G - UNCERTAINTIES

Uncertainties surrounding the legality of the four percent hotel-motel tax as presently collected have been remedied. The Louisiana Legislature, at its 1995 Regular Session, adopted legislation Act No. 28) authorizing the transfer of the authority to levy occupancy taxes from local governing bodies (parish councils, etc.) to parish visitors, tourists and convention bureaus. In October, 1995, the St. Mary Parish Tourist Commission passed an ordinance under the authority provided by Act No. 27 of the 1995 Session of the Louisiana Legislature, to levy and impose a tax of four percent upon the rent or fee charged for the occupancy of hotel rooms, motel rooms and overnight camping facilities within the jurisdiction of the Commission. The tax imposed by this ordinance became effective January 1, 1996.

ST. MARY PARISH TOURIST COMMISSION
STATE OF LOUISIANA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

PERIODS ENDED SEPTEMBER 30, 1998 AND 1999

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the St. Mary Parish Tourist Commission, a component unit of the Parish of St. Mary, State of Louisiana for the years ended September 30, 1998 and 1997, and have issued our report thereon dated December 23, 1998.

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.

The management of St. Mary Parish Tourist Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the St. Mary Parish Tourist Commission for the years ended September 30, 1994 and 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Our examination disclosed that there is very little segregation of duties within the Commission'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 one person 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 Commission 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 reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe some of the reportable conditions described above is a material weakness.

This report is intended solely for the use of management and the St. Mary Parish Council and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the St. Mary Parish Council is a matter of public record.

LeBlanc and Carpenter

December 23, 1996
Morgan City, Louisiana

ST. MARY PARISH TOURIST COMMISSION
STATE OF LOUISIANA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

PERIODS ENDED SEPTEMBER 30, 1994 AND 1995

LEBLANC AND CARPENTER

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SOCIETY OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited the 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, 1996 and 1995, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to St. Mary Parish Tourist Commission is the responsibility of St. Mary Parish Tourist Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of St. Mary Parish Tourist Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

OTHER AUDIT FINDINGS

None.

We noted certain immaterial instances of noncompliance that we have reported to the management of St. Mary Parish Tourist Commission in a separate letter dated December 23, 1986.

This report is intended solely for the use of management and the St. Mary Parish Council and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the St. Mary Parish Council is a matter of public record.

Attest and Certify

December 23, 1986
Morgan City, Louisiana

CONCEPTS TO MANAGEMENT

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MEMBER SOCIETY OF LOUISIANA

COMMENTS TO MANAGEMENT

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

During the performance of our audit of the St. Mary Parish Tourist Commission for the year ending September 30, 1998, we noted certain immaterial instances of noncompliance with state laws that were clearly inconsequential to the audit results. However, we feel these instances of noncompliance should be communicated to the Board of Commissioners for future reference.

PROHIBITED TRANSACTION BY BOARD MEMBER

LSA-R.S. 42:1112 and LSA-R.S. 42:1113 prohibit an appointed member of any board or commission to bid on or enter into or be in any way interested in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of the agency of such appointed member. During 1998, a company owned by a Board member provided \$1,000 of services to the Commission, which is a violation of the statutes. The Board of Commissioners should carefully monitor and plan its activities and operations to insure that the Commission does not enter into any transactions with its Board members or other prohibited parties.

Management responds that it understands the laws relating to prohibited transactions with its Board members but the circumstances surrounding the violation were extenuating. The catering company hired through bid for the grand opening ceremonies of the new tourist information center in Franklin notified the Board at a very late date that they would not be able to fulfill their obligation. With Governor Mike Foster and other state and local dignitaries to be in attendance, the Board felt compelled to take the necessary actions to have the event catered. The Board member's company provided the catering services at about the same price as had been obtained by bidding. In the future, the Board will continue to monitor any related party transactions with its Board members.

BUDGET AMENDMENT

In accordance with LSA-R.S. 38:1288, where the governing authority Board of Commissioners has received notice of a five percent variance or there has been a change in operations upon which the original adopted budget was developed, the governing authority must adopt a budget amendment. During 1956 the Board should have become aware that there was a greater than five percent variance in revenues and expenditures as originally budgeted and should have adopted a budget amendment to reflect these changes.

Management responds that the adopted budget is employed as a management planning and control device during the year and was aware that total revenues were greater than budgeted and total expenditures were less than budgeted. The present accounting and reporting procedures of the District do not facilitate the preparation of budget/actual comparisons on an interim basis, nor is personnel available to prepare such comparisons. The Board is aware and constantly monitors the requirement that expenditures shall not exceed the total of estimated funds available for the fiscal year.

These comments regarding immaterial instances of noncompliance have been made to management for future reference in planning and monitoring the activities of the St. Mary Parish Tourist Commission.

LeBlanc and Carpenter

December 23, 1956
Morgan City, Louisiana