

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU

DECEMBER 31, 1994

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PHYNS, MCNEEL & HERRINGTON, LLP

Contract Audit Agreement

INDEPENDENT AUDITOR'S REPORT

Officers and Directors

Alexandria/Pineville Area Convention and Visitors Bureau

We have audited the accompanying general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau, Alexandria, Louisiana, as of and for the year ended December 31, 1994, as listed in the table of contents. These general purpose financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Alexandria/Pineville Area Convention and Visitors Bureau as of December 31, 1994, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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PAYOR, MOORE & HARRINGTON, LLP

Officers and Directors
Alexandria/Pineville Area Committee
and Visitors Bureau

In accordance with Government Auditing Standards, we have also issued a report dated May 13, 1997, on our consideration of the Bureau's internal control structure and a report dated May 13, 1997, on its compliance with laws and regulations.

Payor, Moore & Harrington, LLP

Certified Public Accountants

May 13, 1997

ALBANY/PITTSVILLE AND CONVENTION AND VISITORS BUREAU
 COMBINED BALANCE SHEET - ASSETS, LIABILITIES AND ACCOUNT CREDITS
 December 31, 1974

EXHIBIT A

	COMBINED BALANCE SHEET		ACCOUNT CREDITS		TOTAL ASSETS AND OTHER DEBITS
	ASSETS	LIABILITIES AND OTHER DEBITS	GENERAL FUND	GENERAL FUND - OTHER DEBITS	
ASSETS AND OTHER DEBITS					
ASSETS					
Cash	\$ 18,142		\$		\$ 18,142
Unrestricted receivables	27,122				27,122
Accounts receivable	42,425				42,425
Furniture and equipment		64,142			64,142
OTHER DEBITS					
Amounts to be provided for retirement of general long-term debt					
TOTAL ASSETS AND OTHER DEBITS	<u>\$127,714</u>	<u>\$64,142</u>	<u>\$</u>	<u>\$64,142</u>	<u>\$127,714</u>
LIABILITIES, DEBITS, AND OTHER CREDITS					
LIABILITIES					
Unrestricted payables	\$ 7,084		\$		\$ 7,084
Inventory payable	119				119
Payroll - trade vendors and payees		62,122			62,122
Compassionate donations					
Amounts owed for utilities		62,122			62,122
Total liabilities	<u>7,202</u>	<u>62,122</u>	<u>\$</u>	<u>\$62,122</u>	<u>\$69,324</u>
DEBITS AND OTHER CREDITS					
Transfers in general fund equity		64,142			64,142
Fund balance - unrestricted - consolidated	<u>119,512</u>				<u>119,512</u>
Total equity and other credits	<u>119,512</u>	<u>64,142</u>	<u>\$</u>	<u>\$64,142</u>	<u>\$119,512</u>
TOTAL LIABILITIES, DEBITS, AND OTHER CREDITS	<u>\$126,714</u>	<u>\$64,142</u>	<u>\$</u>	<u>\$64,142</u>	<u>\$126,714</u>

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

ALEXANDRIA/VIRSVILLE AREA CONVENTION AND VISITORS BUREAU
 ORIGINAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED OCTOBER 31, 1994

PAGE 08

REVENUES	BUDGET	ACTUAL	EXPENSE
			(UNAVAILABE)
Intergovernmental -			
Hajdus Park hotel-motel tax			\$ (5,972)
City of Alexandria - city-wide tax	88,700	101,237	2,458
City of Alexandria - downtown tax	37,588	38,188	520
State of Louisiana hotel-motel tax	18,308	18,914	6,064
Interest income	2,800	2,822	(104)
Total revenues	147,196	163,982	18,988
EXPENDITURES			
Contract -			
Collection expenses	7,200	6,673	528
Salaries	188,772	188,778	3,288
Contract services	4,218	6,987	(788)
Payroll taxes	19,711	22,525	(2,714)
Retirement contribution	8,390	7,983	407
Group hospitalization	28,914	28,983	52
Audit, accounting, and legal	11,145	9,345	2,000
Gas, oil, and repairs	2,528	2,415	102
Mileage allowance	1,887	2,748	(861)
Computer	1,388	6,855	548
Dues and subscriptions	4,543	4,857	188
Entertainment and hospitality	3,714	3,234	480
Travel	17,884	18,538	(7,148)
Equipment rent	5,323	6,463	880
Automobile rent	5,328	5,935	528
Telephone	18,198	18,228	(125)
Utilities	928	988	488
Insurance	7,751	9,221	1,568
Miscellaneous contracts	828	834	1,800
Repairs and maintenance	3,481	2,448	2,912
Rent	12,888	12,188	3,088
Office supplies	24,212	23,823	18,488
Printed items	48,114	64,281	(18,247)
Postage - printing and distribution	8,842	8,442	488
Advertising	28,408	28,788	(18,388)
Miscellaneous expense	928	1,848	(8,823)
Capital outlay		2,288	(2,288)
Total expenditures	448,288	482,188	122,824
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$118,908	(118,578)	\$ (12,988)
FUND BALANCE, BEGINNING OF YEAR		162,911	
FUND BALANCE, END OF YEAR		\$150,923	

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

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1984

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Alexandria/Pineville Area Convention and Visitors Bureau (formerly known as the Conventions Commission and the Rapides Parish Convention and Visitors Bureau) was a division of the Greater Alexandria/Pineville Chamber of Commerce. The Bureau became a separate legal entity, as designated by the Louisiana Legislature in Act No. 554, House Bill No. 1879 effective for September 1, 1984. The governing body was created as the Rapides Parish Tourism and Conventions Commission, while the operating body was named the Rapides Parish Convention and Visitors Bureau. Through Louisiana Act No. 428, the name of the Bureau was changed Spring 1981 to Alexandria/Pineville Area Convention and Visitors Bureau. The purpose of the Bureau is to promote conventions and tourism and to assist with conventions in the local area. Its major source of revenue is from city and parish occupancy taxes collected by local hotels and motels. Therefore, the Bureau is dependent upon hotel/motel occupancy for its revenues.

In evaluating how to define the Bureau, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB. Generally, component units are legally separate organizations for which the elected officials are appointed Board members of the primary government and financially accountable. Some of the criteria considered under "legally separate organizations" are the capacity for the organization to have its own name; the right for the organization to sue and be sued in its own name without recourse to the primary government; and the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to consider "financially accountable" include appointment of a voting majority of the organization's governing body; ability of primary government to impose its will on the organization; whether the organization has the potential to provide specific financial benefits to, or impose specific

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1988

NOTE TO FINANCIAL STATEMENTS

financial burden on the primary government; and fiscal dependence of the organization. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Bureau's reporting entity.

Excluded from the reporting entity:

Mardi Gras Association, Inc. - This entity was organized and incorporated during 1984 to conduct and account for the local Mardi Gras parade activities beginning with the 1985 parade. Prior to this, all Mardi Gras receipts and expenditures were accounted for within the Special Promotional Events Fund of the Bureau. During 1984, remaining funds were transferred to this new corporation. The Corporation is governed by a separate Board of Directors. While the Bureau donates one of an employee's time to the Mardi Gras parade preparations, it is not considered part of the Bureau's activities. The amount of money contributed to the Mardi Gras parade from the Bureau, if any, is included in promotional expenses.

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

B. FUND ACCOUNTING

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

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

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category is, in turn, divided

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1996

NOTE TO FINANCIAL STATEMENTS

into separate "fund types." The Bureau does not have any proprietary funds.

Governmental funds are used to account for all or most of the government's general activities. The operations of the Bureau are reported in the General Fund.

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

Alexandria Riverfront Center Reserve Fund - an agency fund whereby monies received from the state of Louisiana provide a reserve for the payment of operating expenses and emergency expenditures of the Alexandria Riverfront Center. In the event the amount of operating revenue is insufficient for the payment of operating expenses due during the month, or the need arises to make an emergency expenditure, the Alexandria/Pineville Area Convention and Visitors Bureau and the City of Alexandria may advance the amount from the Reserve Fund to the Operating Fund. The City of Alexandria is required to reimburse such funds, not to exceed \$25,000 in one fiscal year. The Reserve Fund must maintain a balance of \$100,000 or the agreement may be terminated.

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

The general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau contain two account groups. These are the General Fund Assets and General Liabilities (debt) Account Groups.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this

ALEXANDRIA/FISHERVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1996

NOTES TO FINANCIAL STATEMENTS

Measurement bases, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present revenues (i.e., revenues and other financing sources) and expenses (i.e., expenditures and other financing uses) in net current assets.

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

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

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

D. BUDGETS

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

E. CASH

Cash includes amounts in demand deposits.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

MEMORANDA/PIENSVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1994

NOTES TO FINANCIAL STATEMENTS

G. FIXED ASSETS

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

H. COMPENSATED ABSENCE

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

I. MEMORANDUM ONLY - TOTAL COLUMN

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

J. ESTIMATES

The preparation of the general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1994**

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE - REPORTS

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

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

Budgets were prepared on a modified accrual basis of accounting and adopted consistent with Louisiana Revised Statutes 49:1901-1914, which provides in part that appropriations for the fiscal annual account estimated revenues plus Fund Balance. The budgeted amounts presented in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual represent the latest amended budget amounts.

3. CASH

At December 31, 1994, the Bureau's general fund cash consisted of \$1,890 in petty cash and \$83,184 in demand deposits held at two financial institutions in the Central Louisiana area. These demand deposits had bank balances totaling \$83,798 and were covered by Federal depository institutions. Cash held in agency funds consisted of two bank accounts located at a third Central Louisiana financial institution totaling \$460,576. The balances in these accounts were swept nightly into U.S. Treasury obligations.

4. INTERFUND RECEIVABLES

RECEIVABLE FUND	ISSUING FUND	AMOUNT
General Fund	Alexandria Overfront Center Operating Fund	\$83,184

ALEXANDRIA/FIREVILLE AREA CONVENTION AND VISITORS BUREAU
December 31, 1988

NOTES TO FINANCIAL STATEMENTS

3. ACCOUNTS RECEIVABLE

	GENERAL FUND	AGENCY FUND ALEXANDRIA RIVERFRONT CENTER OPERATING FUND	TOTAL
State of LA hotel-motel tax rebate	\$ 1,619	\$19,579	\$21,198
Rapides Parish hotel-motel tax	24,544		24,544
City of Alexandria hotel-motel tax		11,878	11,878
City of Alexandria downtown hotel-motel tax	2,822		2,822
City of Alexandria gas income		11,890	11,890
Other	<u>1,850</u>		<u>1,850</u>
	<u>\$42,835</u>	<u>\$41,999</u>	<u>\$84,834</u>

4. FIXED ASSETS

Changes in General Fixed Assets

	BALANCE	ACQUISITIONS	DEPRECIATION	BALANCE
Automobile	<u>1,128</u>	0	0	<u>1,128</u>
office equipment	20,285	179	-0-	20,464
Furniture and fixtures	<u>2,428</u>	<u>1,828</u>	-0-	<u>4,256</u>
	<u>\$43,841</u>	<u>\$2,027</u>	<u>0-0-</u>	<u>\$45,868</u>

All general fixed assets were purchased with general fund resources.

7. LONG-TERM DEBT

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

	COMPARATIVE AMOUNTS
Balance, beginning of year	<u>\$1,816</u>
Plus:	
Additional vacation allowed	5,811
Less:	
Vacation paid out of General Fund	<u>1,816</u>
Balance, end of year	<u>\$5,811</u>

ALEXANDRIA/FIRTHVILLE AREA CONFERENCE AND VISITORS BUREAU
DECEMBER 31, 1994

NOTES TO FINANCIAL STATEMENTS

8. CHANGES IN AMOUNTS HELD FOR OTHERS IN AGENCY FUNDS

	ALEXANDRIA	ALEXANDRIA	TOTAL
	RIVERFRONT	RIVERFRONT	
	CENTRE	CENTRE	
	REVENUE	OPERATING	
	FUND	FUND	
Balance, Beginning of Year	\$ 543,434	\$ -0-	\$543,434
Additions:			
Transfer of Funds	(103,700)	103,700	-0-
City of Alexandria, city-wide tax		32,792	32,792
State of VA Hotel-motel tax rebate		29,176	29,176
Netral Income		26,563	26,563
Gala Income		32,000	32,000
Interest Income	3,494	743	4,237
Other Income		147	147
Reductions:			
Salaries		(53,488)	(53,488)
Computers, Furniture, and Miscaree		(26,538)	(26,538)
Contract labor and maintenance		(48,508)	(48,508)
Insurance		(22,485)	(22,485)
Supplies		(29,314)	(29,314)
Utilities		(22,147)	(22,147)
Communications		(6,757)	(6,757)
Postage and printing		(7,742)	(7,742)
Telephone		(8,344)	(8,344)
Taxes		(8,188)	(8,188)
Retirement		(1,822)	(1,822)
Heat		(1,888)	(1,888)
Other		(2,338)	(2,338)
Balance, end of Year	\$ 383,235	\$ 19,514	\$402,749

9. OPERATING LEASE

The Bureau entered into a sixty month copier operating lease on August 28, 1994 at \$172 per month. Future minimum lease payments on the copier are as follows:

1997	\$ 4,488
1998	4,488
1999	4,488
2000	4,488
2001	2,378
	\$20,832

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1994

NOTES TO FINANCIAL STATEMENTS

10. MANAGEMENT AGREEMENT

On May 21, 1994, the Alexandria/Pineville Area Convention & Visitors Bureau entered into a management agreement with the City of Alexandria, Louisiana, in which the Bureau agreed to act as General Manager of the business operations of the Alexandria Riverfront Center. The City agreed to maintain ownership of the Center and to provide office space for the Bureau within the Center at no additional cost to the Bureau. The Bureau is responsible for operating budgets, comprehensive staffing plans, marketing plans, rental schedules, advertising, fundraising, promotional activities, public relations, and the design and implementation of a financial accounting system for the Center. The Bureau is to provide the City with monthly financial reports within twenty (20) days of the end of each month. As General Manager for the Center, the Bureau is also responsible for maximizing the best efforts in minimizing operating expenses and maximizing operating revenues at good faith judgment. The City has the right to obtain from the Bureau, upon reasonable demand, information and to inspect the books and records of the Center as may be necessary to inform the City concerning the Center and its operations. This management agreement expires on the last day of March, 1991, but shall automatically renew for an additional five (5) year period unless notice by either party is given to the other party which cancels the agreement. Also, this agreement may be terminated if the balance in the Alexandria Riverfront Center falls below \$100,000.

11. DEFINED CONTRIBUTION PENSION PLAN

The Bureau began a simplified employee pension plan during 1993. An employee is eligible to participate once they have been employed full time with the Bureau for a full year. The Bureau contributes five percent (5%) of the employees salary to the plan. Monthly contributions were made for employees during 1994 totaling \$1,845.

**OVERSEAS REPORTS REQUIRED BY
GOVERNMENT JUSTIFIED EXPANDED**

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



FAYNE, SECORE & HERRINGTON, LLP

Chartered 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**

Officers and Directors
Alexandria/Pineville Area Convention and Visitors Bureau

We have audited the general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau, Alexandria, Louisiana, as of and for the year ended December 31, 1994, and have issued our report thereon dated May 13, 1995.

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 general purpose financial statements are free of material misstatement.

The management of the Alexandria/Pineville Area Convention and Visitors Bureau 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 recorded 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.

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PRICEWATERHOUSECOOPERS LLP

Officers and Directors
Alexandria/Pinellas Area Convention
and Visitors Bureau

In planning and performing our audit of the general purpose financial statements of the Alexandria/Pinellas Area Convention and Visitors Bureau for the year ended December 31, 1998, 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 bureau's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

SALLES TAXES

It is our understanding that as a governmental entity the Bureau is exempt from sales taxes. However, in our review of invoices, we noted four instances in which sales taxes were paid. We suggest that a closer review of invoices be made regarding sales taxes.

MANAGEMENT'S RESPONSE

A procedure for closer review of invoices for sales tax has been implemented since the recent audit.

ACCOUNTS RECEIVABLE

An accounts receivable subsidiary ledger is not maintained. Bureau personnel could not readily provide details of accounts receivable balances as December 31, 1998. Accounts receivable were not reconciled and past due or overdue invoices were rarely sent. We suggest that the detail of accounts receivable be reconciled with the general ledger monthly and all unpaid receivables be reviewed for aging and collectability.



PWYNE, BECKINS & HARRINGTON, LLP

Officers and Directors
Alexandria/Fallsville Area Convention
and Visitors Bureau

MANAGEMENT'S RESPONSE

An accounts receivable policy has been implemented to require the accounts receivable subsidiary ledger monthly. Details of accounts receivable will be reconciled with the general ledger and all outstanding accounts receivable will be reviewed for aging and collectability.

MISPLACED SUBORGANIZATION OF DATA

Bureau personnel could not locate some of the requested supporting documentation for transactions. Several voided checks were not retained. Receipts for many payroll tax deposits have been misplaced along with the complete payroll journal. Invoices were often found filed in the wrong year or place. The filing system is inadequate and Bureau personnel are not filing the company's financial records in an organized manner. We suggest that there be one place for the files and that documentation be filed in a timely manner in the proper file.

MANAGEMENT'S RESPONSE

A new filing system has been implemented. All files are located in the same place. Such records were gone likely due to the recent move of Bureau offices and the addition of new personnel.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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. We noted no matters involving the internal control structure and its operation that we considered to be material weaknesses as defined above.



PAYNE, MOORE & HERRINGTON, LLP

Officers and DIRECTORS
Alexandria/Pineville Area Convention
and Visitors Bureau

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

Payne, Moore & Herrington, LLP

Certified Public Accountants

May 13, 1997

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



PAUL, MORRE & FERRELLON, LLP

CIVIL PUBLIC ACCOUNTANT

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

Offices and Directors:

Alexandria/Pineville Area Convention and Visitors Bureau

We have audited the general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau, Alexandria, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 13, 1997.

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.

Compliance with laws and regulations applicable to the Alexandria/Pineville Area Convention and Visitors Bureau is the responsibility of the Bureau's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Bureau's compliance with certain provisions of laws and regulations. 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 the following instances of noncompliance that are required to be reported herein under Government Auditing Standards, for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Bureau's financial statements.

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Officers and Directors
Alexandria/Pineville Area Convention
and Visitors Bureau

SALES TAXES

It is our understanding that as a governmental entity the Bureau is exempt from sales taxes. However, in our review of invoices, we noted four instances in which sales taxes were paid. We suggest that a closer review of invoices be made regarding sales taxes.

MANAGEMENT'S RESPONSE

A procedure for closer review of invoice for sales tax has been implemented since the fiscal year.

FILING OF W-2'S/PROPER RECOGNITION OF PROGRESS

The Bureau's W-2's were issued with incorrect amounts. Two pay periods were excluded from gross wages on two employees. All W-2's were distributed to the employees, but were never filed with the IRS. The Bureau accounting personnel were not properly supervised and reviewed to ensure all filing requirements were met and that W-2's were prepared properly.

MANAGEMENT'S RESPONSE

All W-2 records have been reviewed to ensure accuracy, amended and properly filed with the IRS. A policy has been put in place to ensure proper filing of W-2's by accounting personnel.

We considered these instances of noncompliance in forming our opinion as whether the Bureau's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated May 13, 1997, on these financial statements.



PAYNE, MOORE & HERRINGTON, LLP

Officers and Directors
Alexandria/Piedmont Area Convention
and Visitors Bureau

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

Payne, Moore & Herrington, LLP
Certified Public Accountants

May 13, 1997