

RECEIVED
LEGISLATIVE AUDITOR

88 JUL -1 PM 12:54

OFFICIAL
FILE COPY

DO NOT REMOVE

From Library
Acquis from the
1988 and 1989
BAG in 1988

98101127
9496

GOVERNMENT ACCOUNTING COMMISSION FOR VICTIMS WORKS

FINANCIAL REPORT

DECEMBER 31, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 15 1988

GOVERNMENT LOUISIANA COMMISSION AND STATORS REPORT

State of Louisiana, Louisiana

C O N T E N T S

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Combined Statements-Overview ("Littabla General" Purpose Financial Statements):	
Combined Balance Sheet - All Fund Types and Account Groups	3
Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types - Special Revenue	4-5
Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types - Budget and Fiscal Year-End Budgetary Basis - Special Revenue	6-7
Notes to Financial Statements	8-12
INDEPENDENT AUDITOR'S REPORTS ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13-21

McELROY, QUIRK & BURCH

17 Professional Corporation • Certified Public Accountants • Since 1924
800 Kelly Street • P.O. Box 9878 • Lake Charles, LA 70602-0878
337-435-3362 • Fax 337-434-6118 • E-mail: mqb@mcqb.com

Paul W. Burch, CPA
Richard Thomas, CPA, CMA, CFPS
John L. Quirk, CPA
Robert J. Apple, CPA
William M. Culp, III
Thomas J. Burch, III, CPA
Lee Thomas, CPA, CFP

McElroy, Quirk & Burch, CPAs



Charles E. Quirk, III
1001 E. Third St., P.O.
Box 1, Apple, LA
70602-0001

Charles E. Quirk, III, CPA, CFP
1001 E. Third St., P.O. Box 1
Box 1, Apple, LA 70602-0001
Paul W. Burch, III, CPA, CFP

© 2000 McElroy, Quirk & Burch, CPAs

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southeast Louisiana Convention and Visitors Bureau
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Southeast Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 1997, as listed in the table of contents. These financial statements are the responsibility of the Bureau'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 the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Southeast Louisiana Convention and Visitors Bureau as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 14, 1998 on our consideration of the Southwest Louisiana Commission and Veterans Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

McClary, Smith & Lamb

6480 Canal, Louisiana
June 14, 1998

JOSEPH P. LINDNER, SUPERVISOR AND VICTOR BIRBAU

EMPLOYER BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1997

ACCOUNT	Total		Fiduciary		Arrears			
	Non-encumbered		Fund		Unsettled			
	Special	General	Special	Fixed	Fixed	Special		
	Account	Account	Account	Account	Account	Account		
Cash	\$ 815,724	1	-	0	-	\$ 815,724	1	815,724
Investments	144,584	94,164	-	-	294,420	294,420	294,420	
Accounts payable	4,000	-	-	-	4,400	4,400	4,400	
Accounts receivable	114,000	-	-	-	104,000	104,000	104,000	
Prepaid expenditures	-	-	-	-	-	-	3,000	
General fund assets					492,840	492,840	492,840	
Total assets	\$ 1,078,308	1,078,308	1,078,308	1,078,308	1,078,308	1,078,308	1,078,308	
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 76,410	1	-	0	0	\$ 76,410	1	76,410
Accrued salaries	1,000	-	-	-	1,000	1,000	1,000	
Payroll taxes payable	1,000	-	-	-	1,000	1,000	1,000	
Unaccrued vacation/drift payable	000	-	-	-	000	000	000	
Unexpended payables	4,000	-	-	-	4,000	4,000	4,000	
Other accounts payable	2,110	-	-	-	2,110	2,110	2,110	
UNSETTLED COMMISSIONER BENEFITS	41,180	-	41,180	-	-	82,360	82,360	
	128,700	-	41,180	-	-	169,880	169,880	
Fund equity:								
Investment in general fund assets	-	-	-	341,100	341,100	341,100	341,100	
Fund balance:								
Encumbered:								
Designated for special projects	100,761	-	-	-	100,761	100,761	100,761	
Undesignated	118,334	-	-	-	204,114	204,114	204,114	
Total fund equity	2,087,602	2,087,602	2,087,602	2,087,602	2,087,602	2,087,602	2,087,602	
Total liabilities and fund equity								
Total	\$ 1,116,910	1,116,910	1,116,910	1,116,910	1,116,910	1,116,910	1,116,910	

SEE PAGE 10 Financial Statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

**STATEMENT OF REVENUES, DISBURSEMENTS AND CARRIED IN FUND BALANCE-
ALL GOVERNMENTAL FUND FUND-BUDGETAL REVENUES
Year Ended December 31, 1997 and 1998**

	<u>1997</u>	<u>1998</u>
Revenues:		
Ft occupancy tax	\$ 843,812	\$ 850,814
Insurance, dividends	28,488	21,598
Intergovernmental	267,489	208,328
Grants	18,589	17,500
Miscellaneous	<u>2,382</u>	<u>852</u>
Total revenues	<u>1,460,560</u>	<u>1,388,292</u>
Expenditures:		
Advertising, sales and promotion:		
Ad specialties	27,689	18,073
Radio-TV/print/promotion	8,893	4,383
Media advertising	88,790	68,085
Newsletter/public affairs	28,883	7,488
Outdoor advertising	18,883	17,308
Printed literature	<u>19,182</u>	<u>24,820</u>
Total advertising, sales and promotion	<u>198,120</u>	<u>142,157</u>
Personnel services:		
Salaries-fulltime	389,025	385,730
Salaries-parttime	23,408	28,565
Contract labor	298	28,878
Payroll taxes	28,818	27,025
Group insurance	<u>18,782</u>	<u>28,462</u>
Total personnel services	<u>868,336</u>	<u>880,660</u>
Operations:		
Accounting	8,785	6,847
Accounting	18,883	6,371
Building maintenance	8,738	5,809
Business promotion	64,182	37,888
Communication services	6,838	8,318
Conferences and seminars	81,882	22,288
Capital outlay	187,632	48,821
Equipment contracts	58,888	38,855
Insurance-general	8,282	5,918
Legal fees	12,888	8,978
Membership	8,927	8,028
Miscellaneous	5,852	2,182

(continued on next page)

SEVENTH LOUISIANA CONVENTION AND VISITORS EXPENSE

STATEMENT OF RECEIPTS, EXPENDITURES AND CHANGES IN FUND BALANCE-
ALL GOVERNMENTAL FUND TYPES-SPECIAL REVENUE
Year ended December 31, 1987 and 1986
(Continued)

	<u>1987</u>	<u>1986</u>
Expenditures Cont'd:		
Operations Cont'd:		
Office	14,164	15,559
Postage	28,488	28,378
Telephone	17,838	20,318
Travel	58,147	88,852
Utilities	4,752	7,842
Total operations	<u>127,389</u>	<u>261,359</u>
Subrecipient grants:		
Arts and tourism grants	28,876	28,880
Non-profit matching grants	14,888	-
Cameron Parish matching grants	<u>12,842</u>	<u>-</u>
Total subrecipient grants	<u>56,606</u>	<u>28,880</u>
Transfers to other governmental entities	<u>28,250</u>	<u>-</u>
Total expenditures	<u>2,021,628</u>	<u>781,898</u>
Excess of receipts over expenditures	72,878	147,307
Fund balance at beginning of year	589,529	537,488
Adjustment for change in accounting method (Note 11)	-	184,374
Revised fund balance at beginning of year	<u>-</u>	<u>721,862</u>
Fund balance at end of year	<u>\$ 3,062,089</u>	<u>\$ 488,518</u>

See Notes to Financial Statements.

SOUTHWEST LOGICIAN CONVENTION AND VICTORS BURBAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--ALL
GOVERNMENTAL FUND TYPES--BUDGET AND ACTUAL--ONE-YEAR BUDGETARY PERIOD--
SPECIAL REVENUE

Year ended December 31, 1987

	Actual	Budget	Variance (Favorable/ Unfavorable)
Revenues:			
Ft occupancy tax	\$ 818,000	\$ 825,000	\$ 7,000
Interest, dividends	28,484	-	28,484
Intergovernmental	307,489	148,000	159,489
Grants	12,000	-	12,000
Miscellaneous	3,288	-	3,288
	<u>1,469,261</u>	<u>1,021,000</u>	<u>448,261</u>
Expenditures:			
Advertising, sales and promotions:			
Ad specialties	18,818	18,000	818
Radio-visual production	4,818	7,000	2,182
Radio advertising	92,743	183,800	91,057
Radio-television/public affairs	83,886	81,000	2,886
Outdoor advertising	18,800	20,000	1,200
Printed literature	<u>12,221</u>	<u>80,000</u>	<u>67,779</u>
Total advertising, sales and production	<u>227,286</u>	<u>488,800</u>	<u>261,514</u>
Personnel services:			
Salaries-positions	189,370	188,000	1,370
Salaries-employees	53,454	38,000	15,454
Contract labor	282	2,000	1,718
Payroll taxes	18,935	18,000	935
Group insurance	<u>10,732</u>	<u>14,000</u>	<u>3,268</u>
Total personnel services	<u>273,874</u>	<u>258,000</u>	<u>15,874</u>
Operations:			
Accounting	8,324	8,000	324
Automobile	58,818	12,000	46,818
Building maintenance	5,918	9,000	3,082
Business promotion	48,824	98,000	49,176
Contingency	-	800	800
Conventions services	4,808	7,000	2,192
Conferences and seminars	81,888	33,000	48,888
Capital outlay	58,488	24,300	34,188
Equipment contracts	18,800	18,800	-
Insurance-general	8,382	12,000	3,618
Legal fees	18,877	18,000	877
Membership	2,500	3,000	500
Miscellaneous	1,452	3,000	1,548

1606110000-00 0001 0000

SOUTHWEST LOUISIANA COMMISSION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--ALL
 GOVERNMENTAL FUNDS TYPES--BUDGET AND ACTUAL (NON-GRANT RECEIPTS BASIS)--
 SPECIAL FUNDING
 Year ended December 31, 1997
 (Continued)

	Actual	Budget	Variance Favorable
Expenditures (cont.):			
Operations (cont.):			
Office	19,993	19,000	1,000
Postage	28,310	30,000	1,800
Telephone	17,394	24,000	6,800
Travel	87,897	88,000	100
Utilities	1,884	0,000	800
Total operations	155,478	161,000	5,522
Subscriptions grants:			
John and Thelma Partnership grants	25,875	25,000	1,100
Non-profit matching grants	18,480	25,000	13,000
Camero Parish matching grants	12,383	20,000	6,513
Total subscription grants	56,738	70,000	20,888
Other government entities	38,180		104,180
Total expenditures	248,476	3,500,000	184,622
Excess of revenues over expenditures (Budget basis)	132,078	(150,000)	190,000
Other financing sources (cont.):			
Appropriation of prior year fund balance		80,000	(180,000)
Excess of revenues and other sources over expenditures and other uses (Budget basis)	132,078	\$	\$
Adjustments: (Note 1a)			
To adjust revenues for accruals	12,000		
To adjust expenditures for accruals	(12,223)		
Excess of revenues over expenditures (GAAP basis)	79,855		
Fund balance at beginning of year	889,523		
Fund balance at end of year	\$1,069,378		

SEE NOTES TO FINANCIAL STATEMENTS.

SOUTHWEST LOUISIANA CONVENTION AND VISITOR'S BUREAU

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business

The operations of the Southwest Louisiana Convention and Tourist Bureau are to promote conventions and tourism in the Calcasieu Parish area.

Note 2. Summary of Significant Accounting Policies

The financial statements of the Southwest Louisiana Convention and Visitors Bureau have been prepared according to generally accepted accounting principles. The governmental accounting standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Bureau's more significant accounting policies are described below.

A. Reporting Entity

The Southwest Louisiana Convention and Visitor's Bureau was created in 1973 by an Act of the Louisiana Legislature. That Act was amended and renamed by Act 47 to create the Bureau as a political subdivision of the State of Louisiana effective for 1998 with the purpose of promoting conventions and tourism in the Calcasieu Parish area. It is governed by a seven person Board of Directors. The following governmental bodies and civic organizations appoint members to and are represented on the Board:

Calcasieu Parish Police Jury--one member
The City of Lake Charles--one member
The Chamber Southwest Louisiana--one member
West Calcasieu Association of Commerce--one member
Lake Charles Hotel/Motel Association--three members
Cameron Parish Police Jury--one advisory member

The Bureau derives its income primarily from a tax on the occupancy of hotel and motel rooms in Calcasieu Parish. The Bureau has the authority to impose an occupancy tax at the current rate of three percent without a popular vote. During 1997 and 1998, the occupancy tax rate imposed was three percent. Any increase over three percent may be submitted for public vote.

NOTES TO FINANCIAL STATEMENTS

The financial statements of the Bureau include all operations and activities of the Bureau under control and authority of the Board of Directors and it was determined that no other agency should be included in this reporting entity.

B. Fund Accounting

The Northwest Louisiana Convention and Visitors Bureau uses a fund and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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. The financial statements in this report are grouped into the following fund types and account group:

One governmental fund type, a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

One fiduciary fund type, an agency fund used to account for the deferred compensation plan. Agency funds are custodial in nature and do not involve measurement of operations.

One account group, the general fund assets account group. All fund assets used in governmental fund operations are accounted for in this account group.

C. Basis of Accounting

The Bureau uses the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available". Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

NOTES TO FINANCIAL STATEMENTS

Major revenue sources susceptible to accrual include: Company tax, interest, dividends, and intergovernmental revenue.

The Bureau's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following provisions:

Revenues:

Revenues collected in the current period that were measurable and available as net current assets of the prior period are adjusted out of current revenues. Uncollected revenues that are measurable and available on net current assets of the current period are recognized as revenues.

Expenditures:

Expenditures are adjusted to record in the current period only those expenditures for which the related fund liability was incurred in the current period.

Advertising:

The Bureau elects to expense advertising cost as incurred. The advertising cost for December 31, 1997 and 1996 amounted to \$188,384 and \$187,789, respectively.

Estimates:

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

D. Cash and Cash Equivalents

Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity of no longer than three months.

NOTES TO FINANCIAL STATEMENTS

Under state law, the Board may deposit funds within a fiscal agency bank or demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Further, the Board may invest in United States bonds, Treasury notes, or certificates, time deposits of state banks organized under Louisiana law and national banks, or any other federally insured investment.

K. Budgets and Budgetary Accounting

The Director and the budget committee submit to the Board of Directors a proposed budget prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. The budget is prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

After a complete review the budget is approved. Any revisions that alter total expenditures must be approved by the Board. Formal budgetary integration is employed as a management control device during the year. All budgetary appropriations lapse at the end of each fiscal year.

Encumbrance accounting is not used.

L. Fixed Assets

Fixed assets used in special revenue fund type operations are recorded as expenditures at the time purchased and the related assets are capitalized (reported in the general fixed assets account group). No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

M. Total Columns on Combined Statements - Overview

Special columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTES TO FINANCIAL STATEMENTS

N. Compensated Absences

The Bureau has the following policy related to vacation and sick leave:

The cost of current leave and sick pay are recognized as current year expenditures when leave is actually taken. Accrual and sick pay do not accrue from year to year.

O. Fund Equity

Designated Fund Balances:

Designated fund balances represent legislative plans for future use of financial resources. The Bureau has designated \$90,761 of its Special Revenue Fund equity for various special projects as explained in Note 7.

Note 5. Cash and Certificates of Deposit

The Southeast Louisiana Commission and Visitors Bureau maintain demand and time deposits through local depository banks which are members 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.

Investments are carried at fair market value.

The Bureau's bank demand and time deposits as December 31, 1997 and 1996 classified to give an indication of the level of risk assumed by the Bureau are as follows:

NOTES TO FINANCIAL STATEMENTS

1993	Cash and Demand Deposits	Institutions
Carrying amount	\$ 853,338	\$ 294,658
Bank balances:		
A. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 393,348	\$ 21,257
B. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	583,173	249,235
C. Uncollateralized, including any securities held for the entity but not in the entity's name	_____176,817	_____21,166
TOTAL bank balances	<u>\$ 1,053,338</u>	<u>\$ 281,658</u>

1992	Cash and Demand Deposits	Institutions
Carrying amount	\$ 324,184	\$ 342,828
Bank balances:		
A. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$ 224,214	\$ 141,873
B. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	70,382	219,623
C. Uncollateralized, including any securities held for the entity but not in the entity's name	_____29,588	_____81,332
TOTAL bank balances	<u>\$ 324,184</u>	<u>\$ 442,828</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Lease Agreement

The Bureau occupies property it has leased from the City of Lake Charles. The lease is on a month to month basis. The Bureau has negotiated a joint service agreement with the City of Lake Charles regarding the new Convention and Visitors Bureau building site.

Note 5. Changes in General Fixed Assets

A summary of changes in fixed assets follows:

	Balance 1/1/1997	Additions	Dispositions	Balance 12/31/1997
Leasable improvements	\$ 43,708	\$ -	\$ -	\$ 43,708
Office furniture and equipment	41,488	-	-	41,488
Transportation equipment	87,842	-	-	87,842
Computer equipment	41,487	87,475	-	128,962
Costs in process	4,450	-	-	4,450
	<u>\$ 218,975</u>	<u>\$ 87,475</u>	<u>\$ -</u>	<u>\$ 306,450</u>
	Balance 12/31/1996	Additions	Dispositions	Balance 12/31/1997
Leasable improvements	\$ 43,708	\$ -	\$ -	\$ 43,708
Office furniture and equipment	41,488	4,488	-	45,896
Transportation equipment	87,842	87,475	-	175,317
Computer equipment	41,487	4,488	-	45,975
Costs in process	4,450	-	-	4,450
	<u>\$ 218,975</u>	<u>\$ 96,451</u>	<u>\$ -</u>	<u>\$ 315,426</u>

Note 6. Compensation for Board of Directors

The board of directors received no compensation for the year ended December 31, 1997 and 1996.

NOTES TO FINANCIAL STATEMENTS

Note 7. Restricted-Designated Funds

The Board of Directors has restricted fund balances to provide for the following projects:

	1997	1996
Circle Square Trail	\$ -	\$ 21,913
Costume Fund	8,781	4,483
Vehicle Fund	8,780	3,708
Building Fund	391,649	449,305
Building furnishings Contingency fund	250,000	137,500
Employee enhancement	7,500	-
Retirement administration contingency	2,000	-
Dining guide	2,175	-
Tourism study	10,500	-
Visitor Interpretive Fund	188,188	188,607
Kajice Expeditions Fund	130,485	-
George Wyman (Garrison watch)	-	3,800
Backdrop Fund	-	2,800
Accommodation/Over brochures	-	1,984
Computer/Audio Fund	-	2,880
	<u>\$ 824,783</u>	<u>\$ 788,790</u>

Note 8. Intergovernmental Revenue

Intergovernmental revenue is composed of \$200,489 in 1997 and \$298,016 in 1996 from the State of Louisiana, of which \$208,947 in 1997 is from the dedicated Visitor Interpretive fund. The Louisiana legislature created in the 1970s Treasury a "Cajalieu Visitor Interpretive Fund". Monies in the fund are appropriated to the Southern Louisiana Convention and Visitors Bureau to be used for tourism development purposes, including, but not limited to, support for historic preservation and arts and humanities.

Note 9. Expenditures to other governmental entities

During 1997, the Bureau released funds in the amount of \$24,105 for the establishment of the Circle Square Trail National George Wyman District.

NOTES TO FINANCIAL STATEMENTS

NOTE 20. Deferred Compensation Plan

The Bureau offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Bureau employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

A model ERISA trust agreement has been established for Shelly Johnson, Executive Director. This plan is a nonqualified defined compensation plan.

All amounts of compensation deferred under the Section 457 plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are legal paid or made available to the employee or other beneficiary solely the property and rights of the Bureau (withina being restricted to the provisions of benefits under the plan), subject only to the claims of the Bureau's general creditors.

Participants' rights under the Section 457 plan are equal to those of general creditors of the Bureau in an amount equal to the fair market value of the deferred amount for each participant.

The Bureau's legal counsel believes that the Bureau has no liability for losses under the Section 457 plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Bureau believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

At December 31, 1997, investments were managed by Hibernia Trust Department. As of the date of this report, notes in excess of the 457 plan. The choice of the investment options for the Section 457 plan is made by the employee.

NOTES TO FINANCIAL STATEMENTS

Note 11. Effect of Change in Accounting Methods - 1996

Prior to 1996, financial statements were issued according to the cash basis method accounting. The financial statements for the year ended December 31, 1996 have been prepared in accordance with the modified accrual basis of accounting. The 1996 fund balance was increased \$109,124 for the effect of this change in accounting methods.

Note 12. Budgetary - GRAP Reconciliation

The accompanying statement of revenues, expenditures and changes in fund balance-budget and actual presents comparisons of the legally adopted budget more fully described in Note 8 with actual data on a budgetary basis. This statement also includes a reconciliation of residual basis, timing, perspective and entity differences in excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended December 31, 1997.

Note 13. Subsequent Events

On January 23, 1998, the Bureau issued \$75,000 worth of bonds to provide financing for the completion of the new Southwest Louisiana Convention and Visitors Bureau. The bonds will mature on June 1, 2011.

Note 14. Commitments

In November, 1997, the Bureau signed a contract with a local contractor for the construction of a new Convention and visitors center. The contract price amounts to \$1,227,000. As noted above, \$275,000 of bonds were issued for the financing of the new facility. The remaining balance of the contract price has been designated by the board from fund reserves.

NOTES TO FINANCIAL STATEMENTS

NOTE 25. Changes in Agency Fund

A summary of changes in assets and liabilities - All Agency Funds follows:

	2005		2004	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Deferred Compensation - 401 Plan:				
Assets:				
Investments	\$ 25,833	\$ 25,833	\$ 25,833	\$ 25,833
LIABILITIES:				
Deferred compensation	\$ 25,833	\$ 25,833	\$ 25,833	\$ 25,833

MCELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1941
1000 Lakeside Drive • P.O. Box 8078 • Lake Charles, LA 70602-8078
337-435-3967 • Fax 337-435-8078 • E-mail: mqb@mqb.com

Lafayette, Louisiana
Baton Rouge, Louisiana
Lake Charles, Louisiana
Moss Bluff, Louisiana
New Orleans, Louisiana
Orlando, Florida
Portland, Maine



Shreveport, Louisiana
Thibodaux, Louisiana
Winn-Dixie, Louisiana
Winn-Dixie, Louisiana

1000 Lakeside Drive • P.O. Box 8078
Lake Charles, Louisiana 70602-8078
337-435-3967 • Fax 337-435-8078

Member: American Institute of Certified Public Accountants

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

Board of Directors
Southwest Louisiana Convention and Visitors Bureau
Lake Charles, Louisiana

We have audited the financial statements of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 1999, and have issued our report thereon dated June 18, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Southwest Louisiana Convention and Visitors Bureau financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance which are described below:

1. Louisiana Revised Statute 29:2119 requires that financial institutions secure deposits with the (posting or collateral of a like amount of their own investments). The Southwest Louisiana Convention and Visitors Bureau investments in two financial institutions were under collateralized as of the audit date. This matter was also reported in our prior year's report.

Management Response:

Management contacted each of its bank depositories about this matter during 1997, will discuss the matter again with the banks, and is further modifying its monitoring procedures to prevent future noncompliance.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Southwest Louisiana Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and NOT to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our 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. Reportable conditions are described below:

1. Because of the entity's size and the limited number of accounting personnel, it is not feasible to segregate duties to achieve effective internal accounting control. This matter was also reported as a reportable condition in our prior year's report.

Management's response:

Management of the Bureau has considered this weakness and determined that it would not be cost effective to employ sufficient personnel to obtain adequate segregation of duties. Management has attempted to mitigate this weakness by its supervision and review procedures.

2. The entity's review process did not identify the fact that its bank depositories had not adequately secured the Board's public deposits in accordance with state law. This matter was also reported as a reportable condition in our prior year's report.

Management's response:

Management contacted each of its bank depositories about this matter during 1997, will discuss the matter again with the banks, and is further modifying its monitoring procedures to prevent future noncompliance.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are material weaknesses.

This report is intended for the information of the board of directors, management, and the Legislative Budget of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

McClary, Davis & Stewart

Lake Charles, Louisiana
June 18, 1998

McELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1924
609 N. Kelly Street • P.O. Box 4070 • Lake Charles, La. 70602-0070
337-435-3863 • Fax: 337-435-6418 • E-mail: mqb@mcqb.com

114 N. Calcasieu Street
Baton Rouge, Louisiana 70801
John L. McElroy, CPA
Steven L. Quirk, CPA, CMA
Robert J. Burch, CPA
Teresa J. Burch, CPA, CMA
The Firm is Equal Opportunity

Member of the American Institute of Certified Public Accountants



Charles E. Quirk, CPA
Wayne D. Quirk, CPA, CMA
John W. Quirk, CPA, CMA
William H. Quirk, CPA, CMA

Charles E. Quirk, CPA, CMA, CFE
Wayne D. Quirk, CPA, CMA, CFE
John W. Quirk, CPA, CMA, CFE
William H. Quirk, CPA, CMA, CFE

© 1997 McElroy, Quirk & Burch, CPAs, All Rights Reserved

To the Board of Directors
Southwest Louisiana Convention and
Tourist Bureau
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Southwest Louisiana Convention and Tourist Bureau as of and for the year ended December 31, 1995. In connection with this audit, we are required by our professional standards to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process. Statement on auditing standards No. 61 requires the auditor to ensure that the oversight group receives additional information regarding the scope and results of the audit that may impact the group in overseeing the financial reporting and disclosure process for which management is responsible.

Reference to the Commission:

The Auditor's responsibility under generally accepted auditing standards.

Generally accepted auditing 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 involves 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 financial statement presentation. An audit conducted in accordance with generally accepted auditing standards is designed to obtain reasonable, rather than absolute, assurance about the financial statements.

In planning and performing our audit of the financial statements, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Significant accounting policies.

The Board is a governmental fund type. The Board's records are maintained on a cash basis of accounting. However, the year end financial statements are converted to a modified accrual basis of accounting employing accounting principles established for governmental funds as set out by the Governmental Accounting Standards Board and pertinent authoritative pronouncements from other organizations. Revenues are recognized when they become measurable and available as net current assets. Unusually, uncollected revenues that is expected to be collected within 90 days after year end is recorded in the year earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Management judgments and accounting estimates.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Significant estimates considered in preparing the Bureau's financial statements include the possibility of loss contingencies after considering opinion of legal counsel.

Significant audit adjustments.

Adjustments arising from the audit aggregated approximately \$60,000. The net effect on total equity of these adjustments was to increase current year's income as a result of presenting the financial statements on the modified accrual basis of accounting rather than the cash basis and to record capital outlays and debt payments as expenditures in accordance with government accounting standards.

Disagreements with management.

There were no disagreements with management during the conduct of the audit, or at any other time.

Consultation with other accountants.

In some cases, management may decide to consult with other accountants about auditing and accounting matters. When the auditor is aware that such consultation has occurred, he should discuss with the oversight group his views about significant matters that were the subject of such consultation. We are not aware of any such consultation.

Major issues discussed with management prior to retention.

The auditor should discuss with the oversight group any major issues that were discussed with management in connection with the initial or recurring retention of the auditor's accounting, among other matters, any discussions regarding the application of accounting principles and auditing standards. No major issues were discussed with management prior to the recurring retention of this firm to perform your annual audit.

Difficulties encountered in performing the audit.

We encountered no difficulties in dealing with management related to the performance of the audit. To the contrary, we take this opportunity to recognize the excellent assistance and cooperation rendered to us by management and staff during the performance of the audit and completion of our reports thereon.

This communication is intended solely for the information and use of the Board of Directors, management, and others within the organization as considered appropriate by the Board.

Wm. Craig, Quinn & Smith

Louis Charbon, Louisiana
June 18, 1998