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**LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
BUSTON, LOUISIANA**  
**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

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: 4-15-98

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1997

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Lincoln Parish Convention and Visitors Commission  
Baton Rouge, Louisiana

I have audited the general purpose financial statements of the Lincoln Parish Convention and Visitors Commission as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Convention and Visitors Commission's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and the Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audit of State and Local Governments*. These standards and OMB Circular A-133 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Lincoln Parish Convention and Visitors Commission as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

WILLIAM R. HULSEY  
Certified Public Accountant



March 3, 1998

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
 RUSTON, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1997

	Governmental Fund Type	Enterprise Fund Type	Account Groups	Totals (Minimum Only)
	General Fund	Enterprise Fund	General Fund Assets	
<b>Assets:</b>				
Cash and cash equivalents	\$ 15,649	\$ 146,214	\$ -	\$ 161,863
Accounts receivable	10,109	18,867	-	28,976
Due from other funds	12,734	-	-	12,734
Equipment	-	-	21,232	21,232
<b>TOTAL ASSETS</b>	<b><u>\$ 38,492</u></b>	<b><u>\$ 165,081</u></b>	<b><u>\$ 21,232</u></b>	<b><u>\$ 444,805</u></b>
<b>Liabilities and Fund Equity:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 9,780	\$ -	\$ -	\$ 9,780
Due to other funds	-	12,734	-	12,734
<b>Total Liabilities</b>	<b><u>9,780</u></b>	<b><u>12,734</u></b>	<b><u>-</u></b>	<b><u>22,514</u></b>
<b>Fund Equity:</b>				
Fund balance	<u>28,712</u>	<u>152,347</u>	<u>21,232</u>	<u>402,293</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 38,492</u></b>	<b><u>\$ 165,081</u></b>	<b><u>\$ 21,232</u></b>	<b><u>\$ 444,805</u></b>

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
 BUSTON, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - ALL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1997

	Governmental Fund Type	Enterprise Fund Type	Totals (Major funds only)
	General Fund	Enterprise Fund	
<b>Revenues:</b>			
Enterprise revenue	\$ -	\$ 56,569	\$ 56,569
Lodging tax collections	145,109	-	145,109
Interest income	1,556	12,864	14,420
Other income	-	-	-
Total revenues	<u>146,665</u>	<u>69,433</u>	<u>216,098</u>
<b>Expenditures:</b>			
Accounting - audit	2,677	-	2,677
Advertising	21,334	-	21,334
Audit - allowance	1,194	-	1,194
Bank charges	58	-	58
Brochure distribution	778	-	778
Collection administration	1,583	-	1,583
Draws and subscriptions	1,808	-	1,808
Grants	18,565	1,580	20,145
Equipment purchases	3,334	-	3,334
F&M tours	73	-	73
Meals and entertainment	411	-	411
Office expenses	1,581	-	1,581
Office printing	421	-	421
Office supplies	79	-	79
Operating expenses	51,148	-	51,148
Parish park contributions	48,778	-	48,778
Photography	11	-	11
Postage	1,468	-	1,468
Production	548	-	548
Promotional items	2,832	-	2,832
Registration fees	475	-	475
Staff training	795	-	795
Telephone	183	-	183
Teletypes/fax	136	-	136
Tourism awareness	729	-	729
Trade show expenses	928	-	928
Travel - air	153	-	153
Travel - lodging	358	-	358
Utilities	862	-	862
Total expenditures	<u>199,872</u>	<u>1,580</u>	<u>201,452</u>
Excess (deficiency) of revenues over expenditures	( 53,207 )	67,853	14,646
Fund balances, December 31, 1996	23,530	313,073	346,603
Prior period adjustments (Note 11)	<u>28,629</u>	<u>( 28,629 )</u>	<u>-</u>
Fund balances, December 31, 1997	<u>\$ 48,562</u>	<u>\$ 391,907</u>	<u>\$ 440,469</u>

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
 BUSTON, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)  
 AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1997

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Lodging tax collections	\$ 154,578	\$ 143,189	\$( 9,489 )
Interest income	1,089	1,356	266
Other income	-	-	-
<b>Total revenues</b>	<u>155,578</u>	<u>144,645</u>	<u>( 9,933 )</u>
<b>Expenditures:</b>			
Accounting - audit	2,638	2,637	1
Advertising	20,086	21,334	( 1,248 )
Auto - allowance	1,800	1,194	606
Auto - mileage	400	-	400
Bank charges	100	44	64
Newspaper distribution	300	230	80
Collection administration	1,700	1,533	167
Dues and subscriptions	1,250	1,008	242
Grants	14,400	15,390	990
Equipment purchases	2,535	2,534	1
FUNF meals	850	73	777
Meals and entertainment	900	411	489
Office expenses	1,445	1,503	( 58 )
Office printing	425	423	2
Office supplies	350	18	332
Operating expenses	52,440	51,140	1,300
Parish park contributions	43,840	48,370	( 4,530 )
Photography	300	13	287
Postage	2,000	1,408	592
Printing	600	-	600
Production	1,000	240	760
Promotional items	2,300	2,837	537
Registration fees	300	435	135
Staff training	500	346	154
Telephone	800	380	420
Telephone/fax	135	136	( 1 )
Utility payments	750	750	-
Trade show expenses	1,700	658	1,042
Travel - air	500	135	365
Travel - lodging	1,400	390	1,010
Utilities	600	462	138
<b>Total expenditures</b>	<u>170,600</u>	<u>158,872</u>	<u>11,728</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u><b>\$( 15,022 )</b></u>	<u><b>( 12,227 )</b></u>	<u><b>\$ 2,795</b></u>
Fund balances, December 31, 1996		51,530	
Prior period adjustment:		<u>28,620</u>	
<b>Fund balances, December 31, 1997</b>		<u><b>\$ 22,903</b></u>	

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
STATEMENT OF CASH FLOWS - ENTERPRISE FUND  
DECEMBER 31, 1997

Cash flows from operating activities:	
Net increase (decrease) in fund balance	\$ 67,913
Change in operating assets:	
(Increase) decrease in accounts receivable	24,315
Due to/from other funds (increase) decrease	<u>28,382</u>
Net cash provided by operating activities	<u>32,608</u>
Net increase in cash	120,513
Cash, beginning of period	<u>223,701</u>
Cash, end of period	<u>\$ 344,214</u>

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1997

**NOTE 1 - GENERAL INFORMATION**

The Lincoln Parish Convention and Visitors Commission was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and non-profit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish. The accounting policies of the Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana is a component unit of the Lincoln Parish Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, or other governmental units that comprise the governmental reporting entity.

**Fund Accounting**

The accounts of the Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

**Governmental Fund Types**

**General Fund**

The General Fund is the general operating fund of the Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana.



LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1997

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

**Enterprise Fund Type**

**Enterprise Fund**

The Enterprise Fund is used for tourism purposes, including the promotion of fairs and festivals in Lincoln Parish, and for economic development purposes in Lincoln Parish as provided by Act 983 of the 1992 Regular Legislative Session.

**Account Groups**

**General Fixed Assets Account Group**

General Fixed Assets purchased are recorded as expenditures in the General Fund at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets account group.

**Basis of Accounting**

The records of the Lincoln Parish Convention and Visitors Commission Operating Fund are maintained on an accrual basis of accounting utilizing the following practices:

**Revenues**

The Lincoln Parish Police Jury levies and collects a 3% hotel and motel tax on all hotel and motel revenue in the parish. After collection, these monies are entrusted to the commission subject to the restrictions described in Note 4. The Commission records the revenues on the accrual basis.

Substantially all other revenues are recorded when received.

**Expenditures**

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

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1997

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deficiency Accounting**

The Lincoln Parish Convention and Visitors Commission, Ruston, Louisiana, prepares an annual budget of revenues and expenditures in conformity with generally accepted accounting principles as applied to governmental units for approval by the Lincoln Parish Police Jury.

Unexpended budget balances lapse at year end. The Commission's Board of Commissioners has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted, or as amended by the Board.

**Cash**

Cash includes amounts in demand deposits and interest bearing accounts.

**Vacation and Sick Leave**

The Commission has no formal vacation or sick leave policy since it has no employees.

**Fixed Assets**

Fixed assets used in the Governmental Fund Types operations are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost, if historical is not available.

**Memorandum Only - Total Columns**

The total columns on the statements are captioned "Memorandum Only" to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position or results of operation 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.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
 BUSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 FOR THE YEAR ENDED DECEMBER 31, 1997

**NOTE 3 - RECEIVABLES**

The receivables of \$19,336 at December 31, 1997, are detailed as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Grants:			
State	\$ -	\$ 18,867	\$ 18,867
Motel tax	<u>10,479</u>	<u>-</u>	<u>10,479</u>
Total	<u>\$ 10,479</u>	<u>\$ 18,867</u>	<u>\$ 29,336</u>

**NOTE 4 - DEDICATION OF REVENUES**

The proceeds of the hotel and motel tax levied by the Lincoln Parish Police Jury and entrusted to the Commission are dedicated solely for the purpose of carrying on programs and activities designed to attract conventions and tourists to Lincoln Parish.

**NOTE 5 - CASH**

At year end, the carrying amount of the Board's deposits was \$341,800 and the bank balance was \$188,529. The bank balance is categorized as follows:

Amount insured by FDIC	<u>\$ 180,000</u>
Total collateralized	185,918
Bank balance	<u>188,529</u>
Under collateralized	<u>\$ 2,771</u>

Under state law, these deposits must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 1997

**NOTE 4 - DUE TO/FROM OTHER FUNDS**

Individual fund balances due to/from other funds at December 31, 1997, are as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 12,734	\$ -
Enterprise Fund	-	12,734
<b>Totals</b>	<b>\$ 12,734</b>	<b>\$ 12,734</b>

**NOTE 5 - OPERATING AGENT**

During 1997, the Commission paid a monthly fee of \$4,637 to the Ruston-Lincoln Chamber of Commerce to compensate the Chamber for expenses incurred on behalf of the Commission. However, during the year, the Chamber paid the Commission \$4,500 as reimbursement for the three months the Commission was without a Marketing Director. The Chamber provided administrative services to the Commission, as well as providing telephones, automobile expense, utilities, rent, office supplies and other minor expenses.

**NOTE 6 - CHANGES IN GENERAL FIXED ASSET GROUP**

A summary of the changes in general fixed assets follows:

	Balance 12-31-96,	Additions,	Deletions,	Balance 12-31-97,
Equipment	\$ 17,734	\$ 2,478	\$ -	\$ 20,212
<b>Total</b>	<b>\$ 17,734</b>	<b>\$ 2,478</b>	<b>\$ -</b>	<b>\$ 20,212</b>

**NOTE 7 - LITIGATION AND CLAIMS**

According to the Parish District Attorney, the Commission had no pending or threatened litigation as of December 31, 1997.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
 KUSTOM, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 FOR THE YEAR ENDED DECEMBER 31, 1997

**NOTE 10 - BUDGET/ACTUAL VARIANCES**

When comparing budget to actual amounts, the General Fund had variances of greater than 5% as follows:

	1997		Favorable (Unfavorable) Variances
	Budget	Actual	
Revenues	\$ 155,578	\$ 146,660	\$( 8,918 )
Expenditures	170,650	199,872	10,778

**NOTE 11 - PRIOR PERIOD ADJUSTMENT**

Certain balance sheet accounts have been reclassified from the prior financial statement. At December 31, 1997, a prior period adjustment was made as follows:

	General Fund	Enterprise Fund
Beginning fund balance	\$ 12,530	\$ 103,073
Prior period adjustments:		
Due to/for from	28,639	( 28,639 )
Beginning fund balance, as restated	\$ 41,169	\$ 184,434

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
BUSTON, LOUISIANA  
COMPENSATION PAID TO COMMISSION MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 1997

*No direct compensation was paid to any member of the Board of Commissioners during the year ended December 31, 1997.*

**WILLIAM B. HULSEY**  
CERTIFIED PUBLIC ACCOUNTANT  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Lincoln Parish Convention and Visitors Commission  
Baton Rouge, Louisiana

I have audited the financial statements of the Lincoln Parish Convention and Visitors Commission, as of and for the year ended December 31, 1997, and have issued my report thereon dated March 3, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Lincoln Parish Convention and Visitors Commission's financial statements are free of material misstatement, I 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 these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under "Government Auditing Standards", which are described in the accompanying schedule of findings and questioned costs as items 97-4.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Lincoln Parish Convention and Visitors Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Lincoln Parish Convention and Visitors Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1 through 97-3 on pages 15-16.

A material weakness is a condition in which the design or operation of one or more of the internal control structure 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. My 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, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Lincoln Parish Convention and Visitors Commission, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

**WILLIAM R. HULSEY**  
Certified Public Accountant



March 3, 1998



LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
BUSTON, LOUISIANA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1997

**Finding 97-1:**

During the audit, I found that bank reconciliations had not been printed out each month. For example, the January - March, 1997 bank reconciliations could not be reproduced, however, the staff represented to me that the reconciliation had been prepared and not printed. Also, reconciliations for April and May, 1997 were not prepared until July, 1997.

**Recommendation:**

I recommend that all bank reconciliations be prepared by the 28<sup>th</sup> day of the month following the close of the bank statement. I further recommend that a hard copy be kept of each month's reconciliation.

**Response:**

Due to the frequent turnover of employees in the bookkeeping department of the Ruston/Lincoln Convention and Visitors Bureau, the procedure of printing bank reconciliations was lost; however, this situation has been rectified in that reconciliations have been printed for each month beginning January, 1998 and will continue to be printed each month.

**Finding 97-2:**

During the test of cash disbursements, I noted that supporting documentation for checks numbered 2127, 2289, 2202, 2233, 2252, 2268, 2290, 2285, and 2296 could not be found. This could result in questioned costs.

**Recommendation:**

I recommend that all invoices and check stubs be kept together in one folder either by vendor or by month paid.

**Response:**

Once again, due to the frequent turnover of employees in the bookkeeping department of the Ruston/Lincoln Convention and Visitors Bureau, a standard procedure for filing paid invoices was not followed by each employee. This matter has been resolved in that vendor files have been established for the storage of paid invoices.

LINCOLN PARISH CONVENTION AND VISITORS COMMISSION  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 1997

**Finding #7-1:**

During the audit, I found that invoices are not always being approved or canceled when paid. This could result in an invoice being paid twice, or an unauthorized invoice being paid.

**Recommendation:**

I recommend that all invoices be approved for payment and, when paid, canceled with the check number, check amount and date paid noted on invoice.

**Response:**

On occasion, approval for payment of invoices was given on Post-It notes and could possibly have been torn off during filing. This situation has been remedied by granting written approval for payment of invoices on the invoice itself rather than on an attached piece of paper.

**Finding #7-4:**

Upon reconfirming securities pledged with the Bureau's financial institution, I noticed that the bank balance of deposits was under collateralized, as noted in footnote 5.

**Recommendation:**

The market value of pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the bank.

**Response:**

The financial institution pledged securities on the Enterprise Account, but failed to pledge securities on the General Operating Account. However, this was brought to their attention and has been corrected as of March 1, 1998.