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ALLEN PARISH TOURIST COMMISSION  
ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS  
Year Ended December 31, 1998

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 ~~JUL 28 1998~~

**Royce T. Scimemi, CPA, Inc.**  
Oberlin, LA

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**Royce T. Scimemi, CPA, Inc.**  
Oberlin, LA

# ROYCE T. SCIMEMI, CPA, INC.



## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

Royce T. Scimemi, CPA

-----  
Adena T. LeJeune, CPA, MPA

Member  
American Institute of  
Certified Public Accountants

Member  
Society of Louisiana  
Certified Public Accountants

June 1, 1999

Board of Commissioners  
Allen Parish Tourist Commission  
Oberlin, Louisiana

I have audited the accompanying general purpose financial statements of the Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1998. These general purpose financial statements are the responsibility of the Allen Parish Tourist Commission 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards 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 above present fairly, in all material respects, the financial position of the Allen Parish Tourist Commission as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 1, 1999, on my consideration of Allen Parish Tourist Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts.

*Royce T. Scimemi, CPA, Inc.*

Royce T. Scimemi, CPA, Inc.

P.O. Box 210/8862 HWY 165, Oberlin, LA 70655\*Tele (318) 639-4334\*Fax (318) 639-4068

ALLEN PARISH TOURIST COMMISSION

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1998

	<u>GOVERNMENTAL FUND TYPE</u>
	<u>GENERAL FUND</u>
<b>ASSETS</b>	
Cash	\$ 148,473
Taxes receivable	11,973
Security deposits	75
Interest receivable	407
Prepaid Insurance	715
Fixed assets	-
Amount to be provided for retirement of long-term debt	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>161,643</u></b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Liabilities</b>	
Accounts payable	\$ 15,817
Payroll taxes payable	1,032
Capital lease payable	<u>-</u>
<b>Total Liabilities</b>	<b><u>16,849</u></b>
<b>Fund Equity</b>	
Investment in general fixed assets	-
Fund balance	
Designated	60,000
Unreserved and undesignated	<u>84,794</u>
<b>Total Fund Equity</b>	<b><u>144,794</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u>161,643</u></b>

See accompanying notes.

<u>ACCOUNT GROUPS</u>		
<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
\$ -	\$ -	\$ 148,473
-	-	11,973
-	-	75
-	-	407
-	-	715
93,913	-	93,913
<u>-</u>	<u>5,095</u>	<u>5,095</u>
<u>\$ 93,913</u>	<u>\$ 5,095</u>	<u>\$ 260,651</u>
\$ -	\$ -	\$ 15,817
-	-	1,032
<u>-</u>	<u>5,095</u>	<u>5,095</u>
<u>-</u>	<u>5,095</u>	<u>21,944</u>
93,913	-	93,913
<u>-</u>	<u>-</u>	60,000
<u>93,913</u>	<u>-</u>	<u>84,794</u>
<u>\$ 93,913</u>	<u>\$ 5,095</u>	<u>\$ 260,651</u>

ALLEN PARISH TOURIST COMMISSION

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Fund Type

Year Ended December 31, 1998

	<u>GENERAL FUND</u>
REVENUES	
Hotel/Motel tax	\$ 212,857
Interest	<u>4,886</u>
TOTAL REVENUES	<u>217,743</u>
EXPENDITURES	
Current	
Advertising	21,079
Bank charges	51
Contract labor	2,932
Damages	12,500
Insurance	3,108
Payroll taxes	3,366
Professional fees	6,175
Promotionals	33,023
Rentals	5,375
Repairs and maintenance	931
Salaries	44,000
Supplies	13,768
Telephone	6,532
Training and education	5,131
Travel	3,167
Utilities	1,349
Capital outlay	41,000
Debt Service	
Principal Retirement	3,413
Interest	<u>584</u>
TOTAL EXPENDITURES	<u>207,484</u>
EXCESS OF REVENUES OVER EXPENDITURES	10,259
FUND BALANCE - BEGINNING	<u>134,535</u>
FUND BALANCE - ENDING	<u>\$ 144,794</u>

See accompanying notes.

ALLEN PARISH TOURIST COMMISSION

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - General Fund

Year Ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Hotel/Motel tax	\$ 219,000	\$ 212,857	\$(6,143)
Interest	<u>4,400</u>	<u>4,886</u>	<u>486</u>
TOTAL REVENUES	<u>223,400</u>	<u>217,743</u>	<u>\$(5,657)</u>
EXPENDITURES			
Current			
Advertising	19,960	21,079	(1,119)
Bank charges	35	51	(16)
Contract labor	2,766	2,932	(166)
Damages	12,500	12,500	-
Insurance	3,350	3,108	242
Payroll taxes	3,400	3,366	34
Professional fees	8,000	6,175	1,825
Promotionals	34,994	33,023	1,971
Rentals	5,290	5,375	(85)
Repairs and maintenance	4,200	931	3,269
Salaries	44,200	44,000	200
Supplies	14,573	13,768	805
Telephone	6,350	6,532	(182)
Training and education	5,132	5,131	1
Travel	3,500	3,167	333
Utilities	1,275	1,349	(74)
Capital outlay	37,931	41,000	(3,069)
Debt Service			
Principal Retirement	3,416	3,413	3
Interest	<u>584</u>	<u>584</u>	<u>0</u>
TOTAL EXPENDITURES	<u>211,456</u>	<u>207,484</u>	<u>3,972</u>
EXCESS OF REVENUES OVER EXPENDITURES	11,944	10,259	(1,685)
FUND BALANCE - BEGINNING	<u>134,535</u>	<u>134,535</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 146,479</u>	<u>\$ 144,794</u>	<u>\$ (1,685)</u>

See accompanying notes.



# ALLEN PARISH TOURIST COMMISSION

## Notes to Financial Statements

December 31, 1998

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Allen Parish Tourist Commission was created by the Allen Parish Police Jury under LSA-RS 33:4574. The Commission is governed by a board of seven commissioners who are appointed by the Allen Parish Police Jury. The Commission has as its purpose the promotion of tourism within Allen Parish.

The financial statements of the Allen Parish Tourist Commission 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 government's accounting policies are described below.

#### 1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Allen Parish Tourist Commission includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Tourist Commission.

As the governing authority, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- I. Appointing a voting majority of an organization's governing body and
  - a. The ability of the Allen Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Allen Parish Police Jury.
- II. Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury.
- III. Organizations for which the reporting entity financial statements could be



# ALLEN PARISH TOURIST COMMISSION

## Notes to Financial Statements

December 31, 1998

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Allen Parish Tourist Commission is a component unit of the Allen Parish Police Jury's reporting entity.

#### 2. Fund Accounting

The Allen Parish Tourist Commission uses funds and account groups 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 financial resources.

The following funds and group of accounts are used by the Commission:

##### Governmental Funds:

Funds of the Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds of the Commission include:

General Fund - the general operating fund of the Commission and accounts for all financial resources.

##### Account Groups:

##### General Fixed Assets Account Group:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, 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.

##### General Long-Term Debt Account Group:

The general long-term debt account group is used to account for general long-term debt.

#### 3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. 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. A one-year availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are hotel/motel tax and interest.

4. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the Commission may deposit funds in 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.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 1998, the Commission had \$149,911 in deposits (collected bank balances), all of which was secured from risk by federal deposit insurance and pledged securities.

5. Budget

A general fund budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level. The final budget for 1998 includes the original budget and all amendments during the year.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Total Columns on Statements

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - HOTEL/MOTEL TAXES

Allen Parish Tourist Commission is authorized to levy and collect a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Allen Parish Tourism Commission not to exceed three percent of the rent or fee charged for such occupancy.

NOTE C - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>12/31/97</u> <u>Balance</u>	Net 1998 <u>Additions</u>	<u>12/31/98</u> <u>Balance</u>
Equipment	\$ 52,913	\$ 29,760	\$ 82,673
Furniture & Fixtures	-	5,820	5,820
Building Improvements	<u>-</u>	<u>\$ 5,420</u>	<u>\$ 5,420</u>
Total	<u>\$ 52,913</u>	<u>\$ 41,000</u>	<u>\$ 93,913</u>

NOTE D - LONG-TERM DEBT

I. Debt Outstanding

Capital Lease Payable at December 31, 1998, is comprised of the following issue:

\$8,508 capital lease dated October 13, 1997; due in annual installments of \$331 through September 16, 2000; interest at 6.9%.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 1998

NOTE D - LONG-TERM DEBT (CONTINUED)

The following is a summary of the long-term debt transactions during the year ending December 31, 1998:

	<u>Bonded</u> <u>Debt</u>
Long-term debt payable at 12/31/97	\$ 8,508
Additions	-
Payments	<u>3,413</u>
Long-term debt payable at 12/31/98	\$ <u>5,095</u>

II. Debt Service Requirements to Maturity

The annual requirements to amortize all debts outstanding as of December 31, 1998, including interest payments of \$254 are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
1999	3,973
2000	1,376

NOTE E - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F - COMMITMENTS AND CONTINGENCIES

I. Prior to December 31, 1998, the Commission received notification that the Holiday Inn Express of Kinder had been paying the occupancy tax on rooms subject to a twelve month lease agreement with the Coushatta Tribe of Louisiana. Section 5, Ordinance 5116 of the parish sales tax law provides that, "The tax shall not apply to those hotel rooms rented on an annual contract basis for consecutive days, or nonconsecutive days." Holiday Inn Express requested a refund of \$55, 832. However, the contracts provided were not signed by the Coushatta Tribe of Louisiana. Signed copies of the contract were requested by the Sales and Use Tax Department of the Allen Parish School Board but were never provided. No further action has been taken. Management feels that it is neither probable nor reasonably possible that the matter will result in a refund being paid and no accrual has been made.



ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 1998

NOTE G - SUBSEQUENT EVENTS

Subsequent to December 31, 1998, the following bonds were issued by the Allen Parish Police Jury:

\$200,000 Certificates of Indebtedness, dated February 1, 1999; due in installments \$23,903 to \$27,891; interest at 4.625%.

These funds are intended for the use of constructing two office buildings for the Allen Parish Tourist Commission, and it is the apparent intention of both the Allen Parish Police Jury and the Allen Parish Tourist Commission that the Tourist Commission will provide the funds for repayment. However, no written agreement regarding repayment and ownership has been executed between the two parties.

NOTE H - DESIGNATED FUND BALANCE

On October 27, 1998, the board of directors designated \$60,000 of the fund balance for the construction of a new office building.

NOTE I - OPERATING LEASE

The Commission has entered into an operating lease for an office building which contains cancellation provisions and are subject to annual renewals. For the year ended December 31, 1998, operating lease expenditures totaled \$5,375.

# ROYCE T. SCIMEMI, CPA, INC.



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

June 1, 1999

Board of Commissioners  
Allen Parish Tourist Commission  
Oberlin, Louisiana

I have audited the general purpose financial statements of Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1998, and have issued my report thereon dated June 1, 1999. 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 Allen Parish Tourist Commission's general purpose 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 those 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.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Allen Parish Tourist Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose 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 Allen Parish Tourist Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings.

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Board of Commissioners  
June 1, 1999  
Page 2

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 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. 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 management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Royce T. Scimemi, CPA, Inc.* Royce T. Scimemi, CPA, Inc.

ALLEN PARISH TOURIST COMMISSION

Schedule of Findings

Year Ended December 31, 1998

A -- PUBLIC BID LAW

The Commission failed to comply with the provisions of the Public Bid Law, LSA-RS 38:2212, concerning the purchase of material and supplies in the following two instances:

1. A total of \$11,280 was spent on the purchase of banners without receiving any quotes as required by the Public Bid Law.
2. A total of \$24,000 was spent on the purchase of brochures without complying with public bidding requirements.

ALLEN PARISH TOURIST COMMISSION

Corrective Action Plan

Year Ended December 31, 1998

PUBLIC BID LAW

We agree with the finding on non-compliance with the Public Bid Law. The Board was unaware of the Public Bid Law requirements prior to the occurrence of the non-compliances.

The Board is presently fully aware of the public bid law requirements and has complied with them from the time it was made aware of the requirements.

A handwritten signature in cursive script, appearing to read "John P. ...", is written over a horizontal line.

Board President

ALLEN PARISH TOURIST COMMISSION

Summary of Prior Year Findings

Year Ended December 31, 1998

All prior year findings have been corrected satisfactorily.