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**ALEXANDRIA/PINEVILLE AREA
CONVENTION AND VISITORS BUREAU**

Alexandria, Louisiana

December 31, 1998

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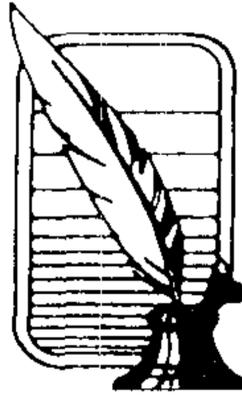
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ALEXANDRIA/ PINEVILLE AREA CONVENTION AND VISITORS BUREAU
Alexandria, Louisiana

DECEMBER 31, 1998

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MEMBER
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DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Alexandria/Pineville Area Convention & Visitors' Bureau
Alexandria, Louisiana

We have audited the accompanying general purpose financial statements of Alexandria/Pineville Area Convention & Visitors' Bureau, (a non-profit, quasi-public organization) as of and for the year ended *December 31, 1998*. 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 the standards applicable to the financial audits contained in *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 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 above present fairly, in all material respects, the financial position of Alexandria/Pineville Area Convention & Visitors' Bureau, 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*, we have also issued our report dated June 8, 1999, on our consideration of the **Bureau's** internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, and contracts.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Alexandria/Pineville Area Convention & Visitors' Bureau. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountants

June 8, 1999

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1998

	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
	GENERAL	AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTALS (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS					
ASSETS					
Cash	\$ 56,777	\$ 344,173			\$ 400,950
Due from other funds	17,822				17,822
Accounts receivable	53,841	50,286			104,127
Furniture and equipment			\$ 87,316		87,316
OTHER DEBITS					
Amount to be provided for retirement of general long-term debt				\$ 5,593	5,593
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 128,440</u>	<u>\$ 394,459</u>	<u>\$ 87,316</u>	<u>\$ 5,593</u>	<u>\$ 615,808</u>
LIABILITIES, EQUITY AND OTHER CREDITS					
LIABILITIES					
Due to other funds		\$ 17,822			\$ 17,822
Accounts payable	\$ 7,073	18,411			25,484
Payroll taxes withheld and payable	2,010				2,010
Compensated absences				\$ 5,593	5,593
Amount held for others		<u>358,226</u>			<u>358,226</u>
Total Liabilities	9,083	394,459		5,593	409,135
EQUITY AND OTHER CREDITS					
Investment in general fixed assets			\$ 87,316		87,316
Fund balance - unreserved - undesignated	<u>119,357</u>				<u>119,357</u>
Total Equity and Other Credits	119,357		87,316		206,673
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 128,440</u>	<u>\$ 394,459</u>	<u>\$ 87,316</u>	<u>\$ 5,593</u>	<u>\$ 615,808</u>

ALEXANDRIA/ PINEVILLE AREA CONVENTION AND VISITORS BUREAU
GENERAL FUND
STATEMENT FOR REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
REVENUES			
Intergovernmental -			
Rapides Parish Hotel-Motel Tax	\$ 323,961	\$ 333,178	\$ 9,217
City Of Alexandria- Downtown Tax	29,563	30,545	982
State of Louisiana Hotel-Motel Tax	100,128	119,970	19,842
Grant - State Of Louisiana	6,000	6,000	0
Interest Income	<u>0</u>	<u>1,474</u>	<u>1,474</u>
Total Revenues	459,652	491,167	31,515
EXPENDITURES			
Current -			
Collection Expenses	5,063	4,959	104
Salaries	188,943	188,691	252
Contract Services	6,624	6,224	400
Payroll taxes	17,663	15,113	2,550
Retirement Contribution	8,351	7,821	530
Group Hospitalization	26,675	33,047	(6,372)
Audit, Accounting, And Legal	5,950	5,950	-
Gas, Oil, And Repairs	3,005	3,606	(601)
Automobile Expenses	1,629	1,688	(59)
Dues And Subscriptions	4,299	6,924	(2,625)
Entertainment And Hospitality	5,689	5,619	70
Travel	22,967	24,728	(1,761)
Equipment Rental	4,454	4,449	5
Automobile Rent	1,256	1,333	(77)
Telephone	15,087	15,856	(769)
Utilities	1,771	1,525	246
Insurance	756	4,057	(3,301)
Postage	5,640	5,952	(312)
Repairs And Maintenance	2,070	3,913	(1,843)
Office Supplies	3,791	4,307	(516)
Promotional	75,235	82,294	(7,059)
Brochures - Printing And Distribution	11,127	12,024	(897)
Advertising	18,731	19,122	(391)
Grant Expense	6,000	0	6,000
Capital Outlay	<u>20,686</u>	<u>20,686</u>	<u>0</u>
Total Expenditures	<u>463,462</u>	<u>479,888</u>	<u>(16,426)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,810)	11,279	15,089
FUND BALANCE, BEGINNING OF YEAR	108,078	108,078	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 104,268</u>	<u>\$ 119,357</u>	<u>\$ 15,089</u>

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

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND 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 governmental 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. 955, House Bill No. 1839 effective for September 1, 1984. The governing body was created as the Rapides Parish Tourism and Convention Commission, while the operating body was named the Rapides Parish Convention and Visitors Bureau. Through Louisiana Act No. 628, the name of the Bureau was changed during 1991 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 revenue.

In evaluating how to define the Bureau for financial reporting purposes, management has considered all potential component units. The decision whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" 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 improve specific financial burdens on the primary government; and fiscal dependence of the organization.

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998

NOTES TO FINANCIAL STATEMENTS
(continued)

A. Reporting Entity (continued)

The Alexandria/Pineville Area Convention and Visitors Bureau operates autonomously from other parish 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 into separate "fund types". The Bureau does not have any proprietary funds.

Governmental 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/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998

NOTES TO FINANCIAL STATEMENTS
(continued)

B. Fund Accounting (continued)

Alexandria Riverfront Center Reserve Fund - an agency fund whereby monies previously 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 management agreement between the Bureau and the City 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 Fixed Assets and General Long-Term Debt Account Groups.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus, only current assets and current liabilities are generally 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 and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., 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.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

C. Basis of Accounting (continued)

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.

Those 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."

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.

II. Compensated Absences

Vested 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. Amounts of vested or accumulated vacation leave that are not expected to be

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998

NOTES TO FINANCIAL STATEMENTS
(continued)

II. Compensated Absences (continued)

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 Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting 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 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 those estimates.

2. LEGAL COMPLIANCE - BUDGETS

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.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

2. LEGAL COMPLIANCE - BUDGETS (continued)

Budgets were prepared on a modified accrual basis of accounting and adopted consistent with Louisiana Revised Statutes 39:1301-1314, which provides in part that appropriations for the fund cannot exceed 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, 1998, the Bureau's general fund cash consisted of demand deposits held at two financial institutions in the Central Louisiana area. These demand deposits had bank balances totaling \$56,777 and were covered by federal depository insurance. Cash held in agency funds at a third Central Louisiana financial institution were \$344,173. The balances in these two accounts were swept nightly into U.S. Treasury obligations.

4. DUE TO/FROM OTHER FUNDS

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Alexandria Riverfront Center Operating Fund	\$ 17,822

5. ACCOUNTS RECEIVABLE

	<u>General Fund</u>	<u>AGENCY FUND Alexandria Riverfront Center Operating Fund</u>	<u>TOTAL</u>
State of LA hotel-motel tax rebate	\$ 19,842	\$ 34,487	\$ 54,329
City of Alexandria hotel-motel tax	30,399	12,800	43,199
Other	<u>3,600</u>	<u>2,999</u>	<u>6,599</u>
Total	<u>\$ 53,841</u>	<u>\$ 50,286</u>	<u>\$ 104,127</u>

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

6. FIXED ASSETS

Changes in General Fixed Assets are detailed below:

	BALANCE <u>1/1/98</u>	ADDITIONS	DELETIONS	BALANCE <u>12/31/98</u>
Automobile	\$ 15,322	20,686	-0-	\$ 36,008
Office Equipment	39,364	-0-	-0-	39,364
Furniture and fixtures	<u>11,944</u>	<u>-0-</u>	<u>-0-</u>	<u>11,944</u>
	<u>\$ 66,630</u>	<u>\$ 20,686</u>	<u>\$ -0-</u>	<u>\$ 87,316</u>

All of the Bureau's general fixed assets were purchased with general fund revenues. The fixed assets purchased for the Alexandria Riverfront Center are assets of the City of Alexandria and are not included in the Bureau's General Fixed Assets.

7. LONG-TERM DEBT

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

	COMPENSATED <u>ABSENCES</u>
Balance, Beginning of Year	\$ 5,669
Less: Net Vacation Paid	<u>(76)</u>
Balance, End of Year	<u>\$ 5,593</u>

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

8. CHANGES IN AMOUNTS HELD FOR OTHERS IN AGENCY FUNDS

	Alexandria Riverfront Center Reserve Fund	Alexandria Riverfront Center Operating Fund	Total
Balances, Beginning of Year	\$ 315,653	\$ 10,816	\$ 326,469
Additions:			
Transfer of funds	(134,835)	134,835	-0-
City of Alexandria, city-wide tax		159,273	159,273
State of LA hotel-motel tax rebate		147,219	147,219
City of Alexandria support	25,000	-0-	25,000
Rental income		142,004	142,004
Concessions income		3,991	3,991
Interest income	<u>12,414</u>	<u>4,824</u>	<u>17,238</u>
Total Additions	(97,421)	592,146	494,725
Reductions:			
Salaries		149,690	149,690
Contract labor		62,557	62,557
Collection expense		2,195	2,195
Dues and subscriptions		875	875
Professional fees		4,680	4,680
Concessions		3,492	3,492
Equipment maintenance		13,973	13,973
Equipment rental		2,306	2,306
Insurance		42,388	42,388
Maintenance contracts/security		27,693	27,693
Travel		8,381	8,381
Office supplies, postage, and printing		28,067	28,067
Seminars		4,426	4,426
Retirement		5,335	5,335
Repairs and maintenance		13,165	13,165
Taxes		15,709	15,709
Telephone		16,851	16,851
Utilities		<u>61,186</u>	<u>61,186</u>
Total Reductions	<u>0</u>	<u>462,968</u>	<u>462,968</u>
Balances, End of Year	<u>\$ 218,232</u>	<u>\$ 139,994</u>	<u>\$ 358,226</u>

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

9. OPERATING LEASE

The Bureau entered into a sixty month copier operating lease on August 20, 1996, at \$372 per month. Future minimum payments on the copier are as follows:

1999	\$ 4,469
2000	4,469
2001	<u>2,979</u>
	<u>\$ 11,916</u>

10. MANAGEMENT AGREEMENT

On May 21, 1996, the Alexandria/Pineville Area Convention and 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, licensing, 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 exercising its best efforts in minimizing operating expenses and maximizing operating revenues in good faith judgement. The City has the right to obtain information from the Bureau, upon reasonable demand, 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, 2001, 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 employee's salary to the plan. Monthly contributions were made for employees during 1998 totaling \$ 7,821.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
DECEMBER 31, 1998**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

12. YEAR 2000 COMPLIANCE (UNAUDITED)

Time and space saving programming decisions made in prior years resulted in two-digit computer codes that may not correctly recognize "00" as the year 2000. Serious processing error or system failure could result. To prevent this error, computer systems and equipment must be reprogrammed or replaced to make them year 2000 compliant.

The Bureau is significantly dependent on computerized systems for essential accounting operations. As a continuing process, the Bureau is actively engaged in making necessary changes to its systems and equipment to achieve year 2000 compliance.

ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU

Alexandria, Louisiana

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain the report on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The paragraph on internal control structure is based solely on the audit of the general purpose financial statements and includes where appropriate, any reportable conditions and/or material weaknesses. The paragraph on compliance with laws and regulations is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.

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A PROFESSIONAL CORPORATION

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

Alexandria/Pineville Area Convention & Visitors' Bureau

We have audited the general purpose financial statements of Alexandria/Pineville Area Convention & Visitors' Bureau (a non-profit organization) as of and for the year ended December 31, 1998, and have issued our report thereon dated June 8, 1999. We conducted our 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 the Council's 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 is not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council'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 judgement, 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 in the accompanying schedule of findings and questioned costs as items 98-01 and 98-02.

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 reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses.

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



Certified Public Accountants
June 8, 1999

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1998**

PART I - SUMMARY OF AUDITOR'S RESULTS

1. We issued an unqualified opinion on the general purpose financial statements of the Alexandria/Pineville Area Convention and Visitors Bureau as of and for the year ended December 31, 1998.
2. Our tests of internal control over financial reporting based on an audit of general purpose financial statements performed in accordance with *Government Auditing Standards* disclosed reportable conditions involving the internal control and compliance over financial reporting and its operation. These reportable conditions are described in Findings 98-01 and 98-02.
3. Our tests of compliance based on an audit of general purpose financial statements performed in accordance with *Government Auditing Standards* disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**PART II - FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED TO BE
REPORTED UNDER *GOVERNMENT AUDITING STANDARDS***

FINDING 98-01 - PAYROLL RATE AUTHORIZATIONS

Each employee's approved hourly rate or annual salary should be appropriately documented in their employee files. The Bureau prepares the annual budget which lists each employee's maximum annual compensation. However, some employee's salaries are below the maximum amounts per the budget and cannot be independently verified through the employees' files to an amount approved by the Bureau's management.

We recommend that the Bureau establish a procedure to ensure that each employee's approved rate of pay is properly documented.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1998
(Continued)**

FINDING 98-02 - PAYROLL RECONCILIATION

We noted that salaries expense recorded on the Bureau's general ledger does not agree with the total salaries and wages recorded on the Bureau's payroll journal and payroll tax returns. The Bureau's and Riverfront Center's general ledger had incorrectly recorded grant expenses and fringe benefits in their salaries and wages accounts. The payroll journal is used to prepare quarterly and annual payroll tax returns and should agree with the general ledger to prevent any potential over or under reporting of payroll taxes to the Internal Revenue Service and ensure accurate financial reporting.

We recommend that the Bureau establish a procedure to reconcile salaries expense from the general ledger to the payroll journal to assist in timely detecting potential misclassifications and ensure accurate financial and payroll tax reporting.

**ALEXANDRIA/PINEVILLE AREA CONVENTION AND VISITORS BUREAU
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1998**

**SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

No findings to report.

SECTION II - MANAGEMENT LETTER

FINDING 1997- 01

Bureau's management should periodically review the accounts receivable detail. Resolved.

FINDING 1997-02

Bureau's management should implement procedures to correctly calculate and timely remit Federal unemployment taxes. Resolved.

FINDING 1997-03

Bureau's management should reconcile amounts due to and from the Bureau to the Alexandria Riverfront Center. Resolved.

FINDING 1997-04

Bureau's management should implement procedures to periodically review both the Bureau's and the Riverfront Center's trial balance. Resolved.