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TANGIPAHOA PARISH TOURIST AND FILM COMMISSION
(A COMPONENT UNIT OF THE TANGIPAHOA PARISH COUNCIL)
HAMMOND, LOUISIANA

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS

As of and for the Two Years 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 7-14-99

TANGIPAHOA PARISH TOURIST AND FILM COMMISSION
(A COMPONENT UNIT OF THE TANGIPAHOA PARISH COUNCIL)
HAMMOND, LOUISIANA

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS

As of and for the Two Years Ended December 31, 1998

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Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

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May 20, 1999

INDEPENDENT AUDITOR'S REPORT

Ms. Alice Gideon, Chairman and
Members of the Board of Directors
Tangipahoa Parish Tourist and Film Commission
Hammond, Louisiana

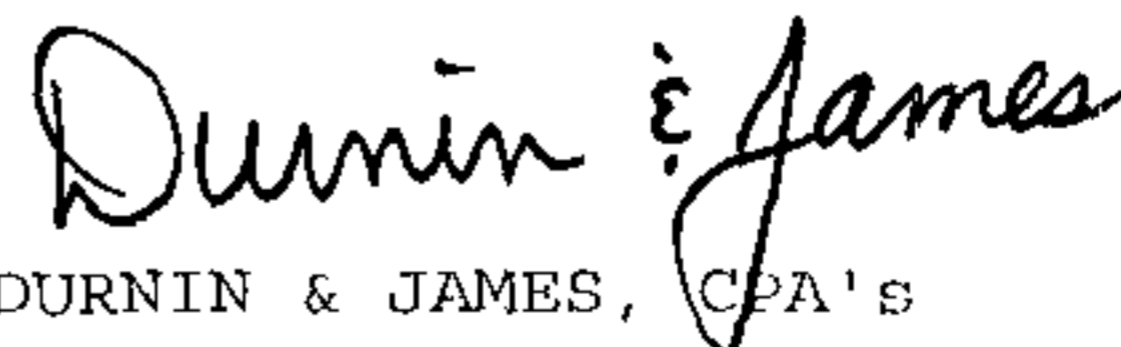
We have audited the accompanying general purpose financial statements of the Tangipahoa Parish Tourist and Film Commission, a component unit of the Tangipahoa Parish Council, as of December 31, 1998, and for the two years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Tangipahoa Parish Tourist and Film Commission. 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 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 the Tangipahoa Parish Tourist and Film Commission as of December 31, 1998, and the results of operations for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 1999, on our consideration of the Tangipahoa Parish Tourist and Film Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Respectfully submitted,


DURNIN & JAMES, CPA'S

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1998

	<u>Governmental Fund Types</u>	<u>Account Group</u>	
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
<u>ASSETS</u>			
Cash	\$494,375	\$ -	\$494,375
Taxes Receivable	72,198	-	72,198
Other Receivables	-	-	-
Furniture, Fixtures & Equipment	-	47,043	47,043
Leasehold Improvements	-	72,196	72,196
Security Deposit	-	-	-
Total Assets	<u>\$566,573</u>	<u>\$119,239</u>	<u>\$685,812</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,840	\$ -	\$ 5,840
Deferred Revenue	-	-	-
Payroll Taxes Payable	1,699	-	1,699
Accrued Liabilities	<u>3,269</u>	<u>-</u>	<u>3,269</u>
Total Liabilities	\$ 10,808	\$ -	\$ 10,808
<u>FUND EQUITY</u>			
Investment in General Fixed Assets	\$ -	\$119,239	\$119,239
Fund Balance:			
Unreserved-undesignated	<u>555,765</u>	<u>-</u>	<u>555,765</u>
Total Fund Equity	<u>\$555,765</u>	<u>\$119,239</u>	<u>\$675,004</u>
Total Liabilities and Fund Equity	<u>\$566,573</u>	<u>\$119,239</u>	<u>\$685,812</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

EXHIBIT B

STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND

For the Two Years Ended December 31, 1998

	General Fund	
	1998	1997
Revenues:		
Taxes	\$172,622	\$160,631
Less Collection Fee	(8,631)	(8,032)
Intergovernmental	253,470	268,830
Interest	13,468	6,644
Grant Income	6,623	-
Other	<u>1</u>	<u>907</u>
Total Revenues	\$437,553	\$428,980
Expenditures:		
Current:		
Salaries and Related Benefits	\$ 95,582	\$ 67,259
Payroll Taxes	2,943	2,442
Insurance	4,207	4,100
Advertising & Promotion	131,225	74,789
Commissioner Related	1,232	1,118
Dues/Subscriptions	3,615	2,792
Office Supplies	4,828	5,077
Professional Fees	-	1,655
Repairs & Maintenance	3,879	5,257
Travel (Local)	631	690
Telephone	7,485	4,070
Uniforms	1,899	1,429
Utilities	2,530	2,504
Operating Leases	10,421	7,779
Tourism Partnership	32,837	18,785
Internet	561	500
Automobile	1,957	966
Capital Outlay	9,185	7,740
Debt Service	-	-
Total Expenditures	<u>315,017</u>	<u>208,952</u>
Excess of Revenues Over Expenditures	\$122,536	\$220,028
Fund Balance, Beginning	<u>433,229</u>	<u>213,201</u>
Fund Balance, Ending	<u>\$555,765</u>	<u>\$433,229</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Two Years Ended December 31, 1998

	1998		1997		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
Revenues:					
Taxes	\$ 160,000	\$172,622	\$ 155,000	\$160,631	\$ 5,631
Less Collection Fee	(8,000)	(8,631)	(7,750)	(8,032)	(282)
Intergovernmental Grant	75,000	260,093	-	268,830	268,830
Interest	8,000	13,468	4,000	6,644	2,644
Magazine Income	-	-	-	-	-
Other	-	1	-	907	907
Total Revenues	\$ 235,000	\$437,553	\$ 151,250	\$428,980	\$277,730
Expenditures:					
Current:					
Salaries & Related Benefits	\$ 95,200	\$ 95,582	\$ 83,500	\$ 67,259	\$ 16,241
Payroll Taxes	3,200	2,943	2,000	2,442	(442)
Insurance	5,500	4,207	5,000	4,100	900
Advertising & Promotion	325,000	131,225	100,000	74,789	25,211
Commissioner Related	1,200	1,232	1,000	1,118	(118)
Dues/Subscriptions	4,000	3,615	4,000	2,792	1,208
Office Supplies	5,500	4,828	5,500	5,077	423
Professional Fees	2,000	-	1,950	1,655	295
Repairs & Maintenance	6,000	3,879	3,000	5,257	(2,257)
Travel (Local)	2,400	631	600	690	(90)
Telephone	6,000	7,485	6,000	4,070	1,930
Uniforms	3,000	1,899	2,000	1,429	571
Utilities	3,050	2,530	3,000	2,504	496
Operating Leases	10,750	10,421	7,700	7,779	(79)
Tourism Partnership	110,000	32,837	105,000	18,785	86,215
Internet	1,200	561	1,200	500	700
Automobile	1,200	1,957	1,200	966	234
Capital Outlay	15,000	9,185	5,050	7,740	(2,690)
Debt Service	-	-	-	-	-
Total Expenditures	\$500,200	\$315,017	\$337,700	\$208,952	\$285,182
Excess (Deficiency) of Revenues Over Expenditures	\$1365,200	\$122,536	\$185,450	\$220,028	\$406,478
Fund Balance, Beginning of Year	\$ 379,000	\$433,229	\$ 200,000	\$213,201	\$ 13,201
Fund Balance, Ending of Year	\$ 13,800	\$555,765	\$ 13,550	\$433,229	\$419,679

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH TOURIST AND FILM COMMISSION
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

As Of and For the Two Years Ended December 31, 1998

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Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

As Of and For the Two Years Ended December 31, 1998

INTRODUCTION

The Tangipahoa Parish Tourist and Film Commission (hereafter referred to as "Tourist Commission") was created by Ordinance No. 79-12-1 of the Tangipahoa Parish Council (hereafter referred to as "Parish Council") as provided by Louisiana Revised Statutes 33:4574-4574.3. The purpose and duties of the Tourist Commission are to promote tourism within Tangipahoa Parish. The Tourist Commission is governed by a board of eight directors appointed by the Parish Council for three year terms.

To fund the operations of the Tourist Commission, the Tourist Commission under the authority provided by Act No. 47 of the 1995 Session of the Louisiana Legislature, adopted Ordinance No. 95-01 levying a tax of two percent upon the rental or fee charged for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the Parish of Tangipahoa. The Sheriff of Tangipahoa Parish acts as collecting agent for the tax for a fee of five percent of the taxes collected. The Tourist Commission presently has four full-time employees and two part-time which staff a full-time tourist information center in Hammond, Louisiana.

The accounting and reporting policies of the Tourist Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Tangipahoa Parish Tourist and Film Commission 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.

B. FINANCIAL REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (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

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council 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 council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the council appoints the board members, the Tourist Commission was determined to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The 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 available financial resources.

The various funds are grouped, in the financial statements in this report, into one generic fund type and one fund category as follows:

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the Tourist Commission. It is used to account for all financial resources, except those required to be accounted for in another fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Hotel/motel taxes are considered "measurable" when in the hands of the collecting agency and are recorded as revenue at that time.

Interest income represents amounts earned on checking accounts with financial institutions. Interest earned on checking accounts is recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are not recognized until due.

E. BUDGETARY PRACTICES

In accordance with provisions of Louisiana R.S. 33:4574.2, the Commission prepared and submitted its annual budget to the Parish Council for approval. The Parish Council approves the annual budget submitted by the Tourist Commission through the adoption of a parish ordinance. Amendments to the adopted budget require approval of the Parish Council in the same manner as the adoption of the original budget. The Tourist Commission prepares its budget on the modified accrual basis of accounting. The budgets presented in these financial statements are as originally adopted or amended, if applicable.

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

F. ENCUMBRANCES

The Tourist Commission does not utilize encumbrance accounting.

G. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Tourist Commission may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Tourist Commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost.

H. INVENTORIES

The Tourist Commission uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The Tourist Commission did not record any inventory at December 31, 1998.

I. PREPAID ITEMS

The Tourist Commission did not record any prepaid items at December 31, 1998.

J. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group.

Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

K. COMPENSATED ABSENCES

The Tourist Commission's policy is to allow employees vacation pay based on length of service. All full-time employees are entitled to one week vacation after one full year of service, two weeks after two full years of service and three weeks after five full years of service. Vacation leave not taken

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(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

cannot be accrued, and must be taken in the anniversary year it is acquired. Upon separation from service, employees are paid at their current rate of pay for any accrued vacation leave.

Sick leave is cumulative at the rate of one day of sick leave for each month of continuous employment until a maximum of 180 days has accumulated. Only ten unused sick leave days per year may be accumulated with a total accumulation limited to thirty days. Upon separation of service, no more than ten days of accumulated sick pay will be compensated.

Compensatory Time -K-Time shall be calculated at one and one-half hours for each hour of overtime earned. Employees may accumulate compensatory time until the balance reaches 173 hours. Subsequent overtime earned must be paid as overtime and no longer accumulated as compensatory time. Upon separation from service, compensatory time is payable at the employee's current rate of pay.

Total unused benefit time was considered immaterial at December 31, 1998 and has not been reflected in these financial statements.

L. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only, to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. TAXES RECEIVABLE

Taxes receivable at December 31, 1998, consisted of the following:

	<u>12/31/98</u>
2% Hotel, Motel and Campground Taxes	
due from Tangipahoa Parish Sheriff	\$11,255
Act 19 - State sales tax dedication	60,943
Less allowance for uncollectible accounts	-
Amounts Due	<u>\$72,198</u>

Tangipahoa Parish Tourist and Film Commission
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Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

3. **CASH**

At December 31, 1998, the Tourist Commission had cash (book balances) totaling \$494,375, as follows:

Interest bearing demand deposits	\$ <u>494,375</u>
----------------------------------	-------------------

The bank 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 fiscal agent. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the Tourist Commission had \$508,432 in bank deposits (collected bank balances).

These deposits are secured from risk as follows:

Bank balances	\$ <u>508,432</u>
Federal deposit insurance	\$100,000
Uncollateralized (category 3):	
Pledged Securities	<u>408,432</u>
Total	<u>\$508,432</u>

4. **CHANGES IN GENERAL FIXED ASSETS**

A summary of the changes in general fixed assets follows:

	<u>Buildings</u>	<u>Furniture & Equipment</u>	<u>Total</u>
Balance, January 1, 1997	\$ 72,196	\$ 33,016	\$105,212
Additions for the Year Ended:			
December 31, 1997	-	7,740	7,740
December 31, 1998	-	9,185	9,185
Retirements for the Year Ended:			
December 31, 1997	-	-	-
December 31, 1998	<u>-</u>	<u>(2,898)</u>	<u>(2,898)</u>
Balance, December 31, 1998	<u>\$ 72,196</u>	<u>\$ 47,043</u>	<u>\$119,239</u>

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

5. **PENSION PLAN**

Substantially all employees of the Tangipahoa Parish Tourist and Film Commission are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing multiple-employer (defined benefit), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Tourist Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504)928-1361.

Funding Policy. Plan members are required by state statute to contribute 9.5 percent of their annual covered salary and the Tangipahoa Parish Tourist and Film Commission is required to contribute at an actuarially determined rate. The current rate is 7.25 percent of annual covered payroll. Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Tourist and Film Commission's contributions to the System for the years ending December 31, 1998, 1997, and 1996 were \$5,658, \$3,856, and \$3,013, respectively, equal to the required contributions

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

for each year.

6. OTHER POSTEMPLOYMENT BENEFITS

The Tourist Commission has no other postemployment benefits.

7. LEASES

On June 29, 1983, the Tourist Commission entered into an agreement with the Parish Council to lease a parcel of land located in Hammond, Louisiana, for a period of twenty years for the purpose of erecting a building to be used as an office for the Tourist Commission and a Tourist Information Center. The only consideration for this lease is the benefit to the public and citizens of Tangipahoa Parish to be derived from the use of the premises. The lease is renewable for an additional term of twenty years upon written request by the Commission. A construction project for the erection of the building was begun in 1983 but was subsequently abandoned in 1984 at which time the startup costs of the project were written off. In 1989, the Commission erected a new building on this site and relocated its office in June 1989.

In addition, the Tourist Commission is leasing a copier under a four-year operating lease, expiring in October 2001.

Also the Tourist Commission is leasing an automobile under a two-year operating lease, expiring in September 2000, subject to a purchase option in the amount of \$11,702.

The following is a schedule of future minimum rental payments required under the above operating leases as of December 31, 1998:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
1999	\$ 9,631
2000	7,040
2001	<u>6,471</u>
	<u>\$23,142</u>

Rental expense amounted to \$10,421 and \$7,779 in 1998 and 1997, respectively.

8. SUBSEQUENT EVENT

The Commission is in the process of locating a site on which to construct a new building. As of April 26, 1999, three possible sites are under consideration.

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of and For the Two Years Ended December 31, 1998

9. PER DIEM PAID BOARD MEMBERS

For the years ended December 31, 1998, and 1997, no per diem or other compensation was paid to the Board members of the Tourist Commission.

10. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Tangipahoa Parish Tourist and Film Commission has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the Tourist Commission's operations. Based on this inventory, the Tourist Commission is in the remediation stage. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Tourist Commission is or will be year 2000 ready, that the Tourist Commission's remediation efforts will be successful in whole or in part, or that parties with whom the Tourist Commission does business will be year 2000 ready.

OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS AND RECOMMENDATIONS

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

Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA*
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Charles D. Mathews, CPA
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Society of Louisiana
Certified Public Accountants

May 20, 1999

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

Ms. Alice Gideon, Chairman and
Members of the Board of Directors
Tangipahoa Parish Tourist and Film Commission
Hammond, Louisiana

We have audited the general purpose financial statements of the Tangipahoa Parish Tourist and Film Commission, Hammond, Louisiana, a component unit of the Tangipahoa Parish Council, for the two years ended December 31, 1998, and have issued our report thereon dated May 20, 1999. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Tangipahoa Parish Tourist and Film Commission'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 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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

TANGIPAHOA PARISH TOURIST AND FILM COMMISSION

of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Respectfully submitted,


DURNIN & JAMES, CPA'S

FINDINGS AND RECOMMENDATIONS

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 1998

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

None

INTERNAL CONTROL OVER FINANCIAL REPORTING

None

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

Tangipahoa Parish Tourist and Film Commission
(A Component Unit of the Tangipahoa Parish Council)
Hammond, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 1998

<u>Ref.#</u>	<u>Description of Findings</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
None				

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Tangipahoa Parish Tourist and Film Commission
 (A Component Unit of the Tangipahoa Parish Council)
 Hammond, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 1998

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action - Partial Corrective Action Taken</u>
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COMPLIANCE

None

INTERNAL CONTROL OVER FINANCIAL REPORTING

None

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June 16, 1999

Ms. Alice Gideon, Chairman and
Members of the Board of Directors
Tangipahoa Parish Tourist and Film Commission
Hammond, Louisiana

We have audited the general purpose financial statements of the Tangipahoa Parish Tourist and Film Commission for the two years ended December 31, 1998, and have issued our report thereon dated May 20, 1999. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated February 22, 1999, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Tangipahoa Parish Tourist and Film Commission. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Tangipahoa Parish Tourist and Film Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Tangipahoa Parish Tourist and Film Commission are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 1997 or 1998. We noted no transactions entered into by the Tangipahoa Parish Tourist and Film Commission during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Tangipahoa Parish Tourist and Film Commission
June 16, 1999
Page Two

Accounting Estimates

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

No significant accounting estimates were required at December 31, 1998.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Tangipahoa Parish Tourist and Film Commission that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and revenue. The corrections were not considered material in relation to the general purpose financial statements of the Tangipahoa Parish Tourist and Film Commission. The Tourist Commission has agreed to the proposed audit adjustments and will record the adjustments in the accounting records of the Tangipahoa Parish Tourist and Film Commission for the two years ended December 31, 1998.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 50, "Reports on the Application of Accounting Principles."

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Tangipahoa Parish Tourist and Film Commission
June 16, 1999
Page Three

This report is for the information of management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Directors of the Tangipahoa Parish Tourist and Film Commission, is a matter of public record.

Respectfully submitted,


DURNIN & JAMES, CPAs

DEJ/bdm