

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU**ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 5.26.04

LEROY J. CHUSTZ
Certified Public Accountant
A Professional Accounting Corporation

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU

**Annual Financial Statements
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedules**

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
Livingston Parish Convention & Visitors Bureau
Albany, Louisiana**

I have audited the accompanying basic financial statements of the **Livingston Parish Convention & Visitors Bureau**, a component unit of the State of Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of **Livingston Parish Convention & Visitors Bureau's** management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Livingston Parish Convention & Visitors Bureau**, as of December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 10, 2004, on my consideration of the **Livingston Parish Convention & Visitors Bureau's** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Livingston Parish Convention & Visitors Bureau's** basic financial statements. The accompanying supplementary information, such as the Managements Discussion and Analysis and the other supplemental information, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of **Livingston Parish Convention & Visitors Bureau**, but are required by the Governmental Standards Board and the United States Department of Agriculture, respectively. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and I express no opinion on it.

Leroy J. Chustz
Certified Public Accountant
March 10, 2004

Required Supplemental Information (Part I)
Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Livingston Convention and Visitors Bureau provides the reader with an introduction and overview to the financial statements of the Livingston Convention and Visitors Bureau (the Bureau) for the fiscal year ended December 31, 2003. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements that follow this section.

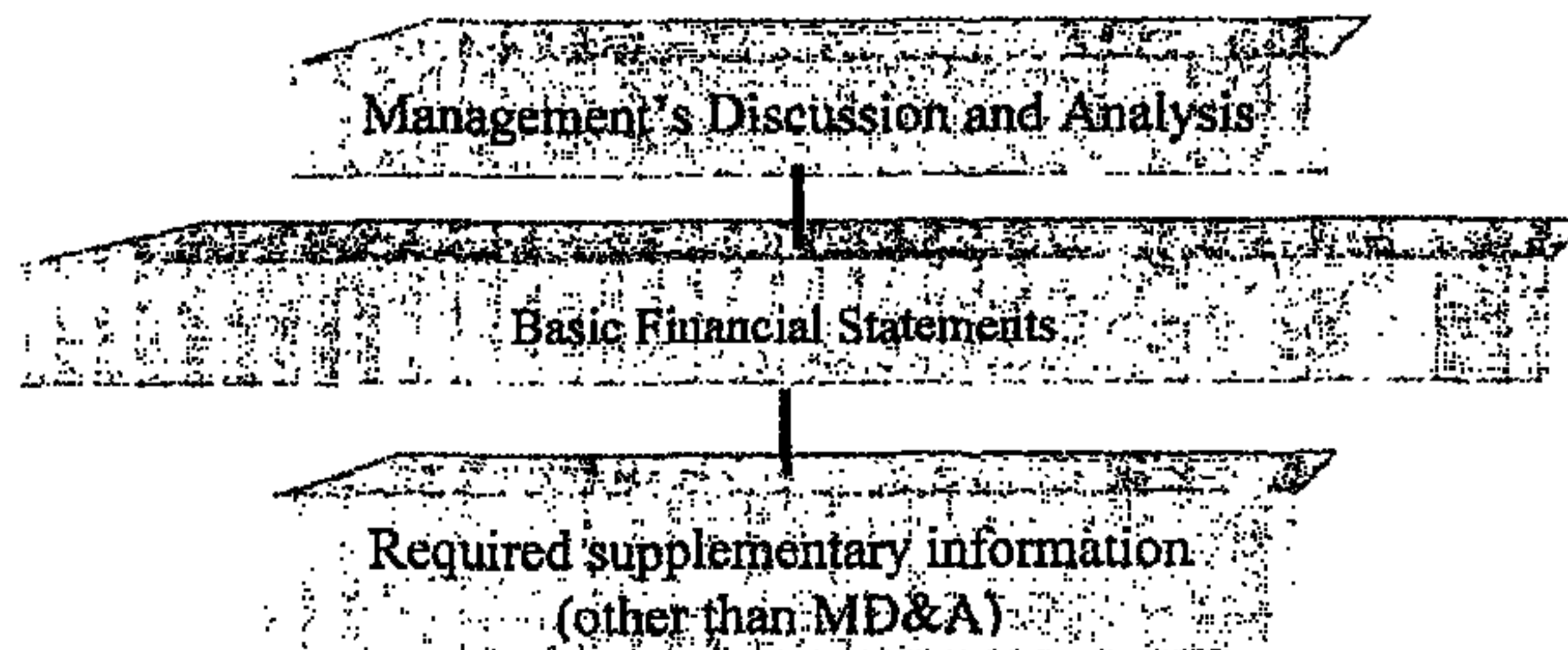
Following this MD&A are the basic financial statements of the Bureau together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

As this is the first year that the Bureau has implemented the new reporting model, certain comparative information with the previous year, which is by design in this reporting model, will not be included in the analysis as permitted by the Governmental Accounting Standards Board (GASB) Statement Number 34 with respect to first year reporting.

FINANCIAL HIGHLIGHTS

- The Bureau's total assets increased by \$19,757 or approximately 4.6%. Likewise, total net assets increased by \$18,850 or approximately 4.4%.
- Total cash and investments at December 31, 2003 represents approximately 57% of the Bureau's total assets and net capital assets represents approximately 39% of total assets. The remaining 4% consists of amounts due from other governments.
- Operating revenues remained consistent with the prior year. Operating expenses, however, increased over the prior year by approximately \$14,000 due mainly to an increase in advertising and publication expense of \$6,723 and salaries and wages increase of \$5,846.
- At the end of the current year, unreserved fund balance was \$273,352 or 243% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS



The preceding graphic illustrates the minimum requirements for Basic Financial Statements established by the Governmental Accounting Standards Board Statement 34, Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments.

These financial statements consist of three sections: Management’s Discussion and Analysis; the basic financial statements; and the required supplementary information. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

Basic Financial Statements

The Bureau’s Basic Financial Statements include the Government Wide Financial Statements (GWFS), the Fund Financial Statements (FFS), and the Required Supplemental Information. These statements are prepared in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. *These statements include all the financial activities of the Bureau.*

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The *Statement of Net Assets* presents information on all of the Bureau’s assets and liabilities, with the difference between the two reported as *Net Assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Bureau is improving or deteriorating.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. The bureau uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain governmental functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. The Bureau operates with one General Fund that is classified as governmental fund. The governmental fund accounts for the Bureaus general activities, including the collection and disbursement of specific or legally restricted monies and the

acquisition of general fixed assets. The General Fund is the general operating fund of the Bureau and accounts for all financial resources and forms the basis of the Fund Financial Statements.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *Required Supplemental Information* section of the Basic Financial Information includes the Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Major Governmental Funds. This statement illustrates the original and final budget and the variance between the final budget and actual final results of the Bureau.

FINANCIAL ANALYSIS OF THE BUREAU

The following is a condensed Statement of Net Assets at December 31, 2003:

Current Assets	\$ 277,189
Net Capital Assets	174,141
Total Assets	<u>\$ 451,330</u>
Current Liabilities	<u>\$ 3,836</u>
Total Liabilities	<u>\$ 3,836</u>
Net Assets	
Invested in Capital Assets, Net of Debt	\$ 174,142
Unrestricted	273,352
Total Net Assets	<u><u>\$ 447,494</u></u>

One of the most important questions asked about the Bureau's finances is "Is the Bureau as a whole better off or worse off as a result of the years activities?" The Statement of Net Assets, and the Statement of Activities report information about the Bureau's activities in a way that will help answer this question. These two statements report the net assets of the Bureau and changes in them. You can think of the Bureau's net assets - the difference between assets and liabilities - as one way to measure financial health or financial position.

The following is a condensed statement of Activities for the fiscal year ending December 31, 2003:

General Revenues	\$ 124,254
Governmental Activities	<u>(105,404)</u>
Increase in Net Assets	<u>\$ 18,850</u>

As detailed in the above summary, the Bureau's net assets increased by \$18,850 in fiscal year 2003, a decline over the prior year of approximately \$12,500. While revenues increased by only \$1,697 or 1.4%, expenditures increased by approximately \$14,000 or 15.6%. As stated before, the main increases occurred in advertising and publications expense of \$6,723 and in wages with an increase of \$5,856.

BUDGETING

The Chairperson of the Board prepares the annual budget which is based on what is expected to be collected during the fiscal year and is then approved by the Board of Commissioners. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

All budget amounts presented in the financial statements are as originally budgeted as the Board was not required to amend its budget in 2003. Appropriations, except encumbrances, lapse at the end of each year.

As Indicated on the statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual for the fiscal year ending December 31, 2003 on page _____ of the Financial Statements, the Bureau had a net favorable variance of \$42,637 between the final amended budget and the final results. This favorable variance was due mainly to under projecting the Improvement Fund and Tourist Fund revenues by a total of \$18,946 and spending \$18,509 less in Capital Outlay than was budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of December 31, 2003, the Bureau had \$207,895 invested in capital assets consisting mainly of land and building, furniture and fixtures, and vehicle. This amount represents a net increase of \$16,191 over last year which consists of the purchase of a vehicle in the current year in the amount of \$16,191.

Debt:

The Bureau had no outstanding debt as of December 31, 2003.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Bureau does not anticipate major changes in results for the December 31, 2004 fiscal year budget and no substantial changes have been projected. Following is a schedule of the December 31, 2004 projected budget that has been approved by the Board of Commissioners:

Revenues	\$	110,000
Expenditures		(106,023)
Excess Revenues		3,977

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of Livingston Parish and visitors with a general overview of the Bureau's finances and to show the Bureau's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Livingston Parish Convention and Visitors Bureau's Executive Director at P.O. Box 1057, Albany, Louisiana 70711.

Basic Financial Statements
Government-Wide Financial Statements

Livingston Convention and Visitors Bureau

Statement A

Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>
Assets	
Cash & Cash Equivalents	\$ 8,719
Investments, At Fair Value	246,183
Due from Other Governments	22,287
Capital Assets	207,895
Less: Accumulated Depreciation	<u>(33,754)</u>
Total Assets	<u>451,330</u>
Liabilities	
Accounts Payable	2,818
Accrued Payroll Liabilities	<u>1,018</u>
Total Liabilities	<u>3,836</u>
Net Assets	
Invested in Capital Assets, Net	174,142
Unrestricted	<u>273,352</u>
Total Net Assets	<u>\$ 447,494</u>

See accompanying notes to the financial statements.

Livingston Convention and Visitors Bureau

Statement B

**Statement of Activities
For the Year Ended December 31, 2003**

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net Revenue (Expense) and Changes in Net Assets Governmental Activities</u>
Governmental Activities			
Salaries and Wages	\$ 45,744	\$ -	\$ -45,744
Advertising and Publications	19,143	-	-19,143
Depreciation Expense	9,020	-	-9,020
Professional Services	5,085	-	-5,085
Utilities	4,217	-	-4,217
Telephone	3,588	-	-3,588
Insurance	3,510	-	-3,510
Payroll Tax Expense	3,499	-	-3,499
Automotive Expense	2,576	-	-2,576
Conference Expense	2,558	-	-2,558
Collection Cost	1,868	-	-1,868
Office Supplies	1,118	-	-1,118
Promotions	978	-	-978
Dues	970	-	-970
Maintenance of Property	522	-	-522
Travel	489	-	-489
Postage	297	-	-297
Miscellaneous Expense	115	-	-115
Bank Charges	108	-	-108
Total Governmental Activities	<u>\$ 105,404</u>	<u>\$ -</u>	<u>-105,404</u>
General Revenues			
Improvement Fund - State of Louisiana			56,680
Tourist Tax			62,266
Interest Earned			<u>5,308</u>
Total General Revenues			<u>124,254</u>
Change in Net Assets			18,850
Net Assets, Beginning of Year			<u>428,644</u>
Net Assets, End of Year			<u>\$ 447,494</u>

See accompanying notes to the financial statements.

Basic Financial Statements
Governmental Fund Financial Statements

Livingston Convention and Visitors Bureau

Statement C

Balance Sheet
Governmental Funds
December 31, 2003

	<u>General Fund</u>
Assets	
Cash & Cash Equivalents	\$ 8,719
Investments, At Fair Value	246,183
Due from Other Governments	22,287
Total Assets	<u>\$ 277,188</u>
Liabilities & Fund Balance	
Liabilities:	
Accounts Payable	\$ 2,818
Accrued Payroll Liabilities	1,018
Total Liabilities	<u>3,836</u>
Fund Balance:	
Unreserved	<u>273,352</u>
Total Fund Balance	<u>273,352</u>
Total Liabilities & Fund Balance	<u>\$ 277,188</u>

See accompanying notes to the financial statements.

Livingston Convention and Visitors Bureau

Statement D

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2003**

Total Fund Balances, Governmental Funds \$ 273,352

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental capital assets, net of depreciation 174,142

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Net Assets, Governmental Activities \$ 447,494

See accompanying notes to the financial statements.

Livingston Convention and Visitors Bureau

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the Year Ended December 31, 2003

Revenues	<u>General Fund</u>
Improvement Fund - State of Louisiana	\$ 56,680
Tourist Tax	62,266
Interest Earned	5,308
Total Revenues	<u>124,254</u>
Expenditures	
<i>Current Expenditures:</i>	
Salaries and Wages	45,744
Advertising and Publications	19,143
Professional Services	5,085
Utilities	4,217
Telephone	3,588
Insurance	3,510
Payroll Tax Expense	3,499
Automotive Expense	2,576
Conference Expense	2,558
Collection Cost	1,868
Office Supplies	1,118
Promotions	978
Dues	970
Maintenance of Property	522
Travel	489
Postage	297
Miscellaneous Expense	115
Bank Charges	108
<i>Capital Outlay:</i>	
Capital Outlay	16,191
Total Expenditures	<u>112,575</u>
Excess Revenues (Expenditures)	<u>11,678</u>
Fund Balance, Beginning of Year	261,674
Fund Balance, End of Year	<u>\$ 261,674</u>

See accompanying notes to the financial statements.

Livingston Convention and Visitors Bureau

Statement F

**Reconciliation of the Change in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2003**

Total Net Change in Fund Balances, Governmental Funds	\$ 11,678
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital outlay	16,191
Depreciation expense	-9,020

Change in Net Assets, Governmental Activities	\$ <u>18,850</u>
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See accompanying notes to the financial statements.

Basic Financial Statements
Notes to the Financial Statements

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
For the Year Ended December 31, 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Introduction

The Livingston Parish Convention & Visitors Bureau (the Bureau) formerly the Livingston Tourism Commission is a body corporate, created by the Louisiana Legislative Revised Statutes, R.S. 33:4574. The Bureau is governed by a board of seven commissioners who are appointed by the Livingston Parish Council.

The financial statements of the Bureau have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB), is the standard-setting body for governmental accounting and financial reporting. On June 30, 2002, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

I. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the Bureau. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Bureau has one governmental fund and no proprietary fund.

II. Fund Accounting

The accounts of the Bureau are organized on the basis of a fund, each of which

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The account group is only concerned with the measurement of results of operations. The fund of the bureau is grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

General Fund - The General Fund is the general operating fund of the bureau. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2003, this is the only fund of the Livingston Parish Convention & Visitors Bureau.

III. Measurement Focus & Basis of Accounting

Measurement Focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, government activities are presented using the economic resources measurement focus as defined below:

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

All government funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measurement of available, spendable financial resources at the end of the period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurements focus applied.

The government wide financial statements are prepared based on accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange transactions are recognized when the exchange takes place.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased.

IV. Budgetary Practices

The Bureau utilizes the following budgetary practices:

The Chairperson of the Board prepares the annual budget which is based on what is expected to be collected during the fiscal year and is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

All budget amounts presented in the financial statements have been adjusted for legally authorized revisions of the annual budget during the year. Appropriations, except encumbrances, lapse at the end of each year.

V. Encumbrances

Encumbrances outstanding at year end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The Governmental Fund's budget is maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end.

The actual results of operations are presented in accordance with GAAP and the Bureau's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Encumbrances are presented as a reservation for encumbrances on the Balance Sheet of the Governmental fund. At December 31, 2003, the Bureau had no outstanding encumbrances.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the Livingston Convention & Visitors Bureau. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

Fund Financial Statements

Fund financial statements of the Livingston Convention & Visitors Bureau are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Livingston Convention & Visitors Bureau or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The fund of the Livingston Convention & Visitors Bureau is described below:

General Fund

The General Fund is the primary operating fund of the Livingston Convention & Visitors Bureau and is classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Bureau's investment policy allow the entity to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible. The Bureau periodically evaluates the collect ability of delinquent accounts. The Bureau's experience has been that receivable write offs have been very low.

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

2. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with maturities of three months or less from the date of acquisition. In addition, the bureau also has certificates of deposit with maturities greater than 90 days which are included under the financial statement heading of Investments. Under state law the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Bureau may invest in time deposits or certificates of deposit of state banks that organized under Louisiana law and national banks have principal offices in Louisiana.

As confirmed by the fiscal agent, the Bureau had cash and Certificates of Deposit totaling \$255,600.20 With a carrying amount of \$254,901.86 at December 31, 2003. Cash and certificates of deposit are stated at cost, which approximate market value. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash at December 31, 2003, with the related federal deposit insurance and pledged securities, if any. The cash at December 31, 2003 was secured as follows:

Bank Balance	\$ 255,600.20
Federal Deposit Insurance	253,087.37
Securities Pledged	0.00
Total Insurance and Securities	253,087.37
Bank Balances Unsecured	<u>\$ 2,512.83</u>

In accordance with Louisiana Revised Statute 39:1218 and 39:1222, all public funds in the custody of private depositories must be insured or collateralized with certain financial instruments. Any public funds deposited with private financial institutions that exceed insurance and collateralization is considered to be a compliance and internal control issue.

3. INVESTMENTS

The Bureau has invested monies into LAMP (Louisiana Asset Management Pool). LAMP, a local government investment pool, is managed by LAMP, Inc., a non-profit corporation organized of the laws under the State of Louisiana, which was formed by an initiative by the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, it's investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

of LAMP is to provide a safe environment for the placement of public funds in short -term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury. The U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity on excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. At December 31, 2003 the Bureau has \$43,958.70 invested with LAMP which is stated at amortized cost in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments for External Investment Pools. In accordance with GASB Codification Section 150.165, these investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

4. DUE FROM OTHER GOVERNMENTS

Due from other Governments consisted of the following at December 31, 2003:

State of Louisiana - Improvement Fund	\$ 12,058.60
Livingston Parish School Board - Tourist Tax	<u>10,227.94</u>
Total Due from Other Governments	<u>\$ 22,286.54</u>

5. CAPITAL ASSETS AND DEPRECIATION

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in government fund operations and whether they are reported in the government wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Informally, capital assets purchased or acquired with an original cost or donated value of \$1,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to December 31, 2002.

Prior to December 31, 2002, infrastructure assets owned by governments were not capitalized.

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

Infrastructure assets acquired prior to December 31, 2002 have been valued at estimated historical cost.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Furniture and Fixtures	7 Years
Infrastructure	20 Years
Vehicles	5 Years

Fund Financial Statements

In the fund financial statements, fixed assets used in the governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

6. CHANGES IN FIXED ASSETS

Capital Assets activity for the year ended December 31, 2003, was as follows:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2003</u>
Land	\$ 35,000			\$ 35,000
Building	84,458			84,458
Infrastructure	60,000			60,000
Furniture & Fixtures	12,246			12,246
Vehicles		16,191		16,191
Total	<u>191,704</u>	<u>16,191</u>		<u>207,895</u>
Less Accumulated Depreciation	<u>\$ (24,734)</u>	<u>\$ (9,020)</u>		<u>(33,754)</u>
Plant, Property & Equipment				<u>\$ 174,141</u>

LIVINGSTON PARISH CONVENTION & VISITORS BUREAU
Notes to the Financial Statements
December 31, 2003

7. LITIGATION

According to legal counsel, there is no pending litigation against the Bureau.

8. BOARD PER DIEM

The board members of the Bureau are not financially compensated in any way.

	<u>Term Ends</u>
Kenny Morrison, Chairperson	February 11, 2005
Louis Bartus	February 11, 2005
Gail Sanders	February 11, 2005
Theresa Jackson	February 11, 2005
Jaqueline A. Strickland	February 11, 2005
Gwen Vicknair	February 11, 2005
Denise Martin	February 11, 2005

The term of each board member is three years.

9. RESTATEMENTS

The Bureau implemented new reporting model standards in the year 2003. As a result beginning balances of fund equity has been restated and converted to net assets as reported in the Government-Wide financial statements. The details of that restatement are as follows:

Fund Balance as of January 1, 2003	\$ 261,674.17
Capital Assets (net) January 1, 2003	<u>166,970.22</u>
Fund Balance restated as Net Assets at December 31, 2002	<u><u>\$ 428,644.39</u></u>

Required Supplemental Information (Part II)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual

Livingston Convention & Visitors Bureau
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts: GAAP Basis</u>	<u>Variance with Final Budget: Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Improvement Fund	\$48,000.00	\$48,000.00	\$56,680.27	\$8,680.27
Tourist Fund	52,000.00	52,000.00	62,265.75	\$10,265.75
Interest	5,500.00	5,500.00	5,307.62	-\$192.38
Total Revenues	<u>105,500.00</u>	<u>105,500.00</u>	<u>124,253.64</u>	<u>18,753.64</u>
Expenditures				
Salaries & Wages	46,659.00	46,659.00	45,744.34	914.66
Advertising and Publications	20,000.00	20,000.00	19,142.58	857.42
Capital Outlay	34,700.00	34,700.00	16,191.00	18,509.00
Collection Cost	0.00	0.00	1,867.92	-1,867.92
Conference Expense	4,000.00	4,000.00	2,557.54	1,442.46
Dues	1,200.00	1,200.00	970.20	229.80
Equipment Rental	750.00	750.00	662.20	87.80
Insurance	3,950.00	3,950.00	3,447.27	502.73
Interest Expense	0.00	0.00	62.98	-62.98
Maintenance of Property	1,700.00	1,700.00	3,097.97	-1,397.97
Miscellaneous Expense	0.00	0.00	222.53	-222.53
Office Expense	2,000.00	2,000.00	1,118.05	881.95
Payroll Tax Expense	3,400.00	3,400.00	3,499.48	-99.48
Postage	400.00	400.00	297.27	102.73
Professional Services	6,700.00	6,700.00	5,085.00	1,615.00
Telephone	4,200.00	4,200.00	3,587.83	612.17
Travel	2,600.00	2,600.00	804.82	1,795.18
Utilities	4,200.00	4,200.00	4,216.57	-16.57
Total Expenditures	<u>136,459.00</u>	<u>136,459.00</u>	<u>112,575.55</u>	<u>23,883.45</u>
Excess of Revenues (Expenditures)	-30,959.00	-30,959.00	11,678.09	42,637.09
Fund Balance December 31, 2002	261,674.17	261,674.17	261,674.17	
Fund Balance December 31, 2003	<u>230,715.17</u>	<u>230,715.17</u>	<u>273,352.26</u>	

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

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

**Board Members of
Livingston Parish Convention & Visitors Bureau
Albany, Louisiana**

I have audited the basic financial statements of the **Livingston Parish Convention & Visitors Bureau**, a component unit of the State of Louisiana, as of and for the year ended December 31, 2003, and have issued my report thereon dated March 10, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the **Livingston Parish Convention & Visitors Bureau's** basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*. See the accompanying Schedule of Findings.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the **Livingston Parish Convention & Visitors Bureau's** internal control over financial reporting to determine our auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My 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 basic 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the **Livingston Parish Convention & Visitors Bureau** and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Leroy J. Chustz

Certified Public Accountant, APAC
March 10, 2004

**Livingston Parish Convention and Visitors Bureau
Schedule of Findings
Year Ended December 31, 2003**

A. SUMMARY OF AUDIT RESULTS

The auditors' report expresses an unmodified opinion on the basic financial statements of Livingston Parish Convention and Visitors Bureau.

1. No reportable conditions were disclosed during the audit of the basic financial statements.
2. One instance of noncompliance was disclosed during the audit of the basic financial statements.
3. There were no federal awards received by Livingston Convention and Visitors Bureau.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Compliance and Internal Control

Finding 2003-1 Undercollateralized Cash Balances

Criteria -

The Livingston Parish Convention & Visitors Bureau is required to have all public funds deposited with financial institutions adequately collateralized.

Condition -

The Livingston Parish Convention & Visitors Bureau had a Certificate of Deposit with Homestead Bank at December 31, 2003 that exceeded the FDIC's \$100,000.00 coverage limit.

Effect -

The Livingston Parish Convention & Visitors Bureau had a portion of its deposit uncollateralized and uninsured at the balance sheet date.

Cause -

The Bank nor Management of the Convention & Visitors Bureau knew that public funds in excess of the FDIC coverage needed to be collateralized.

Recommendation -

The Management should assign this responsibility to an individual that will examine the cash balances and ensure that the Bureau is properly collateralized.

Management Response -

See Management's Corrective Action Plan

Livingston Parish Convention & Visitors Bureau

**Status of Prior Year Audit Findings
For the Year Ended December 31, 2003**

Section I - Internal Control and Compliance Material to the Financial Statements

No section I findings.

Section II - Internal Control and Compliance Material to Federal Awards

Section II not applicable.

Section III Management Letter

No section III findings.



LIVINGSTON PARISH

Convention and Visitors Bureau

WILL CLARK
Executive Director

March 10, 2004

Legislative Auditor
State of Louisiana

The Livingston Parish Convention and Visitors Bureau respectfully submits the following corrective action plan for the year ended December 31, 2003.

The finding from the December 31, 2003, Schedule of Findings is discussed below. The finding is numbered consistently with the number assigned in the schedule.

2003-1

Management of the Bureau intends to comply with State law and have adequate collateralization on any public funds deposited with a financial institution. Management will consult with the Bureau's contract accountant to develop a plan to periodically monitor the Bureau's deposits for proper collateralization. After consulting with the contract accountant, management will assign this responsibility to an employee or an outside party.

If the Legislative Auditor has questions regarding this plan, please call Mr. Will Clark, Director at (225) 567-7899.

Sincerely,

Will Clark
Executive Director

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