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West Baton Rouge Tourist Commission

Port Allen, Louisiana

FINANCIAL STATEMENTS

For the year ended 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, when appropriate, at the office of the parish clerk of court.

Release Date 9.1.04

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CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL CORPORATION)

INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of the
West Baton Rouge Tourist Commission
Port Allen, Louisiana

I have audited the general purpose financial statements of the West Baton Rouge Tourist Commission, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2003, as listed in the foregoing table of contents. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Baton Rouge Tourist Commission as of December 31, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States Of America.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining statements listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the West Baton Rouge Parish Tourist Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The West Baton Rouge
Parish Tourist Commission

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which I expressed an unqualified opinion on the component unit financial statements of the West Baton Rouge Tourist Commission for the year ended December 31, 2003.

In accordance with Government Auditing Standards, I have also issued a report dated June 24, 2004 on my consideration of the West Baton Rouge Parish Tourist Commission's internal control over financial reporting, and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.



Certified Public Accountant
(A Professional Corporation)

June 24, 2004
Baton Rouge, Louisiana

West Baton Rouge Tourist Commission
 Port Allen, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2003

ASSETS AND OTHER DEBITS

	<u>Governmental Funds</u>		<u>Account Groups</u>		<u>Totals</u>	
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>	<u>2002</u>
<u>Assets and Other Debits</u>						
Cash - demand deposits	\$ 16,133	\$ 8,230	\$ -0-	\$ -0-	\$ 24,363	\$ 23,738
Accounts receivable	9,558	-0-	-0-	-0-	9,558	684
Investment - LAMP	31,594	89,014	-0-	-0-	120,608	395,666
Hotel - Motel tax receivable	23,675	-0-	-0-	-0-	23,675	24,802
Interfund receivables	1,111	25,130	-0-	-0-	26,241	26,241
Fixed assets, land and building (See Note 3)	-0-	-0-	945,910	-0-	945,910	939,164
Amount to be provided for retirement of general long-term debt	-0-	-0-	-0-	21,800	21,800	38,730
Total Assets and Other Debits	\$ 82,071	\$ 122,374	\$ 945,910	\$ 21,800	\$ 1,172,155	\$ 1,449,025

LIABILITIES, EQUITY, AND OTHER CREDITS

<u>Liabilities</u>						
Accounts payable	\$ 14,221	\$ 2,978	\$ -0-	\$ -0-	\$ 17,199	\$ 20,118
Event deposits	5,363	-0-	-0-	-0-	5,363	3,475
Interfund payables	21,880	4,361	-0-	-0-	26,241	26,241
General long-term debt (See Note 4)	-0-	-0-	-0-	21,800	21,800	38,730
Total Liabilities	\$ 41,464	\$ 7,339	\$ -0-	\$ 21,800	\$ 70,603	\$ 88,564
<u>Equity and Other Credits</u>						
Investment in fixed assets	-0-	-0-	945,910	-0-	945,910	939,164
Fund balances - Undesignated	40,607	115,035	-0-	-0-	155,642	421,297
Total Equity and Other Credits	\$ 40,607	\$ 115,035	\$ 945,910	\$ -0-	\$ 1,101,552	\$ 1,360,461
Total Liabilities, Equity, and Other Credits	\$ 82,071	\$ 122,374	\$ 945,910	\$ 21,800	\$ 1,172,155	\$ 1,449,025

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 2003

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>	
			<u>2003</u>	<u>2002</u>
<u>Revenues</u>				
Hotel - Motel tax	\$297,881	\$ -0-	\$297,881	\$250,386
From the State:				
Sales tax rebate	-0-	-0-	-0-	-0-
Excess hotel-motel tax	-0-	-0-	-0-	-0-
Interest income	709	2,945	3,654	7,838
Rental income	196,076	-0-	196,076	32,643
Miscellaneous	<u>1,293</u>	<u>-0-</u>	<u>1,293</u>	<u>1,293</u>
Total Revenues	<u>495,959</u>	<u>2,945</u>	<u>498,904</u>	<u>292,160</u>
<u>Expenditures</u>				
Current:				
Advertising and marketing	55,231	84,331	139,562	63,968
Contingencies	5,160	-0-	5,160	6,415
Catering and related expenses	150,290	-0-	150,290	22,614
Maintenance, repairs, and security	30,034	9,653	39,687	9,705
Supplies and postage	15,195	150	15,345	30,340
Audit and accounting fees	4,940	-0-	4,940	4,375
Insurance	6,099	-0-	6,099	8,462
Salaries, wages, and related expenses	193,176	-0-	193,176	144,918
Utilities & telephone	34,209	-0-	34,209	19,960
Capital outlays	5,736	7,278	13,014	1,112
Debt Service:				
Principal retirement	-0-	16,930	16,930	15,478
Interest	<u>-0-</u>	<u>2,799</u>	<u>2,799</u>	<u>4,251</u>
Total Expenditures	<u>500,070</u>	<u>121,141</u>	<u>621,211</u>	<u>331,598</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,111)</u>	<u>(118,196)</u>	<u>(122,307)</u>	<u>(39,438)</u>

(CONTINUED)

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - (Cont'd)

ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 2003

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>	
			<u>2003</u>	<u>2002</u>
Excess (Deficiency) of Revenues over Expenditures from the Preceding Page	(4,111)	(118,196)	(122,307)	(39,438)
<u>Other Financing Sources</u> <u>(Uses)</u>				
Operating transfers in	-0-	-0-	-0-	-0-
Operating transfers out	-0-	(218,348)	(218,348)	-0-
Transfer from Parish Council	-0-	<u>75,000</u>	<u>75,000</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>(143,348)</u>	<u>(143,348)</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(4,111)	(261,544)	(265,655)	(39,438)
Fund Balances, Beginning	<u>44,718</u>	<u>376,579</u>	<u>421,297</u>	<u>460,735</u>
Fund Balances, Ending	<u>\$ 40,607</u>	<u>\$115,035</u>	<u>\$155,642</u>	<u>\$421,297</u>

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND

For the year ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Hotel - Motel tax	\$ 295,000	\$ 297,881	\$ 2,881
Interest income	600	709	109
Miscellaneous	212,000	196,076	(15,924)
Rental Income	<u>14,000</u>	<u>1,293</u>	<u>(12,707)</u>
Total Revenues	<u>521,600</u>	<u>495,959</u>	<u>(25,641)</u>
<u>Expenditures</u>			
Current:			
Advertising and marketing	61,200	55,231	5,969
Contingencies	-0-	5,160	(5,160)
Catering and related expenses	153,000	150,290	2,710
Maintenance, repairs, and security	18,000	30,034	(12,034)
Supplies and postage	35,500	15,195	20,305
Audit and accounting fees	6,000	4,940	1,060
Insurance	7,500	6,099	1,401
Salaries, wages, and related expenses	213,000	193,176	19,824
Utilities & telephone	35,000	34,209	791
Capital Outlays	<u>700</u>	<u>5,736</u>	<u>(5,036)</u>
Total Expenditures	<u>529,900</u>	<u>500,070</u>	<u>29,830</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,300)</u>	<u>(4,111)</u>	<u>4,189</u>

(CONTINUED)

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - (Cont'd)

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND

For the year ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues over Expenditures from the Preceding Page	\$ (8,300)	\$ (4,111)	\$ 4,189
<u>Other Financing Sources (Uses)</u> Operating transfers out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Use	(8,300)	(4,111)	\$ <u>(4,189)</u>
Fund Balance, January 1, 2003	<u>44,718</u>	<u>44,718</u>	
Fund Balance, December 31, 2003	\$ <u>36,418</u>	\$ <u>40,607</u>	

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

SPECIAL REVENUE FUNDS

For the year ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest income	\$ 2,000	\$ 2,945	\$ 945
Rental income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues	<u>2,000</u>	<u>2,945</u>	<u>945</u>
<u>Expenditures</u>			
Current:			
Advertising and marketing	90,000	84,331	5,669
Maintenance repairs and security	-0-	9,653	(9,653)
Supplies and postage	-0-	150	(150)
Capital Outlays	-0-	7,278	(7,278)
Debt Service:			
Principal retirement	-0-	16,930	(16,930)
Interest	<u>-0-</u>	<u>2,799</u>	<u>(2,799)</u>
Total Expenditures	<u>90,000</u>	<u>121,141</u>	<u>31,141</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(88,000)</u>	<u>(118,196)</u>	<u>(30,196)</u>

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - (Cont'd)

BUDGET (GAAP BASIS) AND ACTUAL

SPECIAL REVENUE FUNDS

For the year ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues over Expenditures from the Preceding Page	\$ (88,000)	\$ (118,196)	\$ (30,196)
<u>Other Financing Sources)</u>			
Operating transfer out	-0-	(218,348)	(218,348)
Transfer from Parish Council	<u>96,300</u>	<u>75,000</u>	<u>(21,300)</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Use	8,300	(261,544)	\$ <u>(269,844)</u>
Fund Balance, January 1, 2003	<u>376,579</u>	<u>376,579</u>	
Fund Balance, December 31, 2003	\$ <u>384,879</u>	\$ <u>115,035</u>	

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Baton Rouge Tourist Commission was established May 12, 1977 for the purpose of developing and carrying out programs designed to promote tourism in the area of West Baton Rouge Parish as provided for by Louisiana Revised Statutes 33:4574, et seq.

The financial statements of the West Baton Rouge Parish Tourist 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 standards. The more significant of the Tourist Commission's accounting policies are described below.

Reporting Entity - GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the West Baton Rouge Parish Tourist Commission includes all funds, account groups, et cetera, that are within the oversight responsibility of the Tourist Commission. Based on the criteria set forth in GASB Statement No. 14, the Tourist Commission is a component unit of the West Baton Rouge Parish Council. The basic criteria is the Parish Council's ability to exercise oversight responsibility. The Parish Council appoints the members of the Tourist Commission and approves its budget.

Other criteria used to determine if a governmental unit is a component unit are financial interdependency, designation of management, the ability to significantly influence operations and accountability for fiscal matters. Based on all the criteria set forth the Tourist Commission has no component units.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

Fund Accounting - The accounts of the West Baton Rouge Tourist Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

Governmental Funds:

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The Commission accounts for the State Sales Tax Rebate it receives in its Special Revenue Funds (See Note 2).

Fixed Assets and Long-Term Liabilities:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses 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 measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Budgets and Budgetary Accounting - The Tourist Commission followed these procedures in establishing the budget reflected in these financial statements:

1. The Tourist Commission coordinator and the executive director prepare a proposed budget and submit it to the treasurer. After examination by the treasurer, the budget is submitted to the Tourist Commission for approval. After approval by the Tourist Commission the budget is submitted to the West Baton Rouge Parish Council. The Parish Council incorporates the Tourist Commission Budget into the Parish Council Budget. The Tourist Commission Budget is submitted to the Parish Council to allow enough time for the formal budget process followed by the Council to be completed. The Parish Council complies with the State Budget Law.
2. Budgetary amendments involving the transfer of funds from one program or function to another requires the approval of the Tourist Commission.
3. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Investments - Cash includes amounts in demand deposits as well as short term certificates with maturity dates within twelve months of the date acquired by the government.

Cash is carried at cost which approximates market value. The carrying value of cash and certificates on deposit with financial institutions on December 31, 2003 was \$24,363 all of which is interest bearing.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

Cash and Investments - (Cont'd)

The bank balances of these deposits totaled \$37,029 on December 31, 2003. At December 31, 2003 the Commission's bank balances were secured by \$ 37,029 of FDIC insurance and \$100,000 of collateral held by the pledging financial institution's agent in the name of the pledging financial institution's and pledged to the Utility (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

Local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost, which approximates market and is equal to the value of the pool shares.

Investments in LAMP held at December 31, 2003 were \$120,608. In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2003, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The LAMP corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only Local governments having contracted to participate in LAMP have an investment

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

interest in its pool of assets. The primary objective 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 consist of no securities with a maturity in excess of 397 days, LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Statutes allow the Commission to invest in United States bonds, treasury notes, or certificates; or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana. Statutes also allow the Commission to invest in any investment as stipulated in R.S. 33:2955, or any other federally insured investment, or in mutual or trust fund institutions which are registered under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States or its agencies. The Commission may invest such monies it has in any general fund or special funds which the management of the Commission, in their discretion, may determine to be available for investment and which are not specifically exempted or prohibited from investment under existing state or federal statutes.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations. However, comparative (i.e., presentation of prior years' totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

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

Risk Management - The Tourist Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Commission purchases commercial insurance policies at levels which management believes is adequate to protect the Commission. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

NOTE 2. REVENUE

Hotel - Motel Tax - The Tourist Commission under the provision of Louisiana Revised Statutes Section 33:4574.1-A levies a four percent tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the commission. The proceeds from this tax are accounted for in the Commission's General Fund.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 2. REVENUE - Cont'd

State Sales Tax Rebate - Under the provisions of Louisiana Revised Statutes Section 47:332.12, the West Baton Rouge Parish Council is entitled to receive a portion of the state sales tax imposed on hotel occupancy within West Baton Rouge Parish. The money is to be used exclusively for the planning, development or capital improvements of tourism sites in West Baton Rouge Parish. During 1999, in addition to the rebate, \$300,000 of surplus hotel-motel tax from the West Baton Rouge Parish Enterprise fund was received. This money is earmarked for the Parish's Riverfront Development Project. The Parish Council has designated the West Baton Rouge Parish Tourist Commission to receive and expend these funds on behalf of the Parish Council. The proceeds from this source are accounted for in the Commission's Special Revenue Funds. During 2000, the proceeds from the state sales tax rebate were pledged to secure bonds issued to finance a new tourist information and conference facility. The West Baton Rouge Council now collects these funds (See Note 5).

NOTE 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>2003</u>	<u>Additions</u>	<u>Disposals</u>	Balance December 31, 2003
Land	\$ 561,611	\$ -0-	\$ -0-	\$ 561,611
Building	259,798	7,278	-0-	267,076
Projection equip- ment and relief map	47,749	-0-	-0-	47,749
Office furniture and equipment	46,438	5,736	6,268	45,906
Vehicle	20,974	-0-	-0-	20,974
Uniforms	<u>2,594</u>	<u>-0-</u>	<u>-0-</u>	<u>2,594</u>
 Total General Fixed Assets	 \$ <u>939,164</u>	 \$ <u>13,014</u>	 \$ <u>6,268</u>	 \$ <u>945,910</u>

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 4. GENERAL LONG-TERM DEBT

During 2000 the Commission purchased another piece of real estate for \$84,114. The Commission paid \$4,914 and signed a mortgage with the sellers for \$79,200.

The following is a summary of the Commission's general long-term debt transactions for the year ended December 31, 2003:

General long-term debt, January 1	\$ 38,730
Principal repaid	<u>(16,930)</u>
General long-term debt, December 31	\$ <u>21,800</u>

General long-term debt payable at December 31, 2003 consisted of the following:

\$79,200 mortgage note payable, dated February 29, 2000, due in monthly installments of \$1,644.06 through March 1, 2005 with the unpaid balance due March 31, 2005, 9% interest.	\$ <u>21,800</u>
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West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 4. GENERAL LONG-TERM DEBT - (Cont'd)

The annual requirements to amortize the general long-term debt payable as of December 31, 2003 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	16,911	1,174	18,085
2005	<u>4,889</u>	<u>110</u>	<u>4,999</u>
Total	<u>\$ 21,800</u>	<u>\$ 1,284</u>	<u>\$ 23,084</u>

NOTE 5. BONDS PAYABLE

The West Baton Rouge Parish Tourist Commission and the West Baton Rouge Council joined together to construct and finance a tourist information center and conference facility on land owned by the Tourist Commission. The Tourist Commission and Parish Council obtained financing from the Louisiana Local Government Environmental Facilities and Community Development Authority ("LCDA"). The proceeds from the State Sales Tax Rebate, discussed in Note 2, has been dedicated to the repayment of the debt to the LCDA and is being collected and recorded as income by the Parish Council.

The New Building Reserve Fund and the Sinking Fund required by the financing agreement, the bonds payable, and the Capital Projects Fund used to construct the facility are being carried on the books of the West Baton Rouge Parish Council. The Tourist Commission transferred \$86,281 from its Enterprise Fund to the Parish Council to establish the Enterprise New Building Reserve Fund in 2000. In addition, the Parish Council began collecting the State Sales Tax Rebate in 2000 and adds the amounts collected to the Reserve Fund.

The tourist information center was completed in 2002 and is recorded as an asset for \$1,333,563 on the books of the Parish Council. The building is being used by the

(Continued)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 5. BONDS PAYABLE - (Cont'd)

Tourist Commission as a tourist information center and convention facility. The Commission's use of the facility is rent free.

Tourist Center Bonds, Series 2000 were issued September 1, 2000. The principal amount of the bonds issued was \$1,100,000. During 2001 an additional \$300,000 of bonds were issued. The first principal payment was due on September 1, 2001 and the final payment is due September 1, 2015. The unpaid balance at December 31, 2003 was \$1,220,000. During the year ended December 31, 2003, the Parish Council collected \$308,209 of State Sales Tax Rebate to be used to fund reserves and pay bonds. Cash and investment balances held by the Parish Council at December 31, 2003 were as follows:

Construction Account	\$ <u>-0-</u>
Sinking Fund	\$ <u>-0-</u>
Reserve Fund	\$ <u>438,341</u>

During the year ended December 31, 2003 the Parish Council transferred \$75,000 from the reserve fund to the West Baton Rouge Parish Tourist Commission.

NOTE 6. PER DIEM PAYMENTS

There were no per diem payments made during 2003 to commission members.

NOTE 7. NEW REPORTING STANDARD

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and

(Continued)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 2003

NOTE 7. NEW REPORTING STANDARD - Cont'd

restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Tourist Commission is required to implement this standard for the fiscal year ending December 31, 2004. The Tourist Commission has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

* * * * *

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS

West Baton Rouge Tourist Commission

Port Allen, Louisiana

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Under the provisions of Louisiana Revised Statutes Section 47:332.12 the West Baton Rouge Parish Council is entitled to receive a portion of the state sales tax imposed on hotel occupancy within West Baton Rouge Parish. The money is to be used exclusively for the planning, development or capital improvements of tourism sites in West Baton Rouge Parish.

During 1999 in addition to the rebate, \$300,000 of surplus hotel-motel tax from the West Baton Rouge Parish Enterprise fund was received. This money is earmarked for the Parish's Riverfront Development Project.

The Parish Council has designated the West Baton Rouge Parish Tourist Commission to receive and expend these funds on behalf of the Parish Council.

During 2000, the Tourist Commission and the Parish Council pledged future revenues from the state to the repayment of bonds issued to construct a tourist and convention facility. In 2000 the Parish Council began collecting the Parish's portion of the state sales tax.

West Baton Rouge Parish Tourist Commission
 Port Allen, Louisiana
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
December 31, 2003

ASSETS AND OTHER DEBITS

	<u>Enterprise Fund</u>	<u>Riverfront Development</u>	<u>Total</u>
<u>Assets and Other Debits</u>			
Cash - demand deposits	\$ 1,621	\$ 6,609	\$ 8,230
Cash - certificates of deposit	0	0	0
Investment - LAMP	70,875	18,139	89,014
Interfund receivables	3,250	21,880	25,130
Fixed assets	0	0	0
Funds to be provided for debt retirement	0	0	0
Total Assets and Other Debits	<u>\$ 75,746</u>	<u>\$ 46,628</u>	<u>\$ 122,374</u>

LIABILITIES AND EQUITY

<u>Liabilities</u>			
Accounts payable	\$ 2,978	\$ 0	\$ 2,978
Interfund payables	0	4,361	4,361
General long-term debt	0	0	0
Total Liabilities	2,978	4,361	7,339
<u>Equity</u>			
Fund balance - undesignated	<u>72,768</u>	<u>42,267</u>	<u>115,035</u>
Total Liabilities and Equity	<u>\$ 75,746</u>	<u>\$ 46,628</u>	<u>\$ 122,374</u>

West Baton Rouge Parish Tourist Commission
Port Allen, Louisiana
**COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS**
For the year ended December 31, 2003

	<u>Enterprise Fund</u>	<u>Riverfront Development</u>	<u>Total</u>
<u>Revenues</u>			
Interest income	\$ 1,302	\$ 1,643	\$ 2,945
Rental income	0	0	0
Total revenues	1,302	1,643	2,945
<hr style="border-top: 1px dashed black;"/>			
<u>Expenditures</u>			
Current:			
Advertising and marketing	84,331	0	84,331
Maintenance, repairs and security	9,653	0	9,653
Supplies and postage	130	20	150
Capital outlays	7,278	0	7,278
Debt Service:			
Principal retirement	0	16,930	16,930
Interest	0	2,799	2,799
Total Expenditures	<u>101,392</u>	<u>19,749</u>	<u>121,141</u>
Excess (Deficiency) of Revenues over Expenditures	(100,090)	(18,106)	(118,196)
<u>Other Financing Sources (Uses)</u>			
Transfer from Parish Council	75,000	0	75,000
Transfer to City of Port Allen	0	(218,348)	(218,348)
Excess (Deficiency) after Other Financing Uses	(25,090)	(236,454)	(261,544)
Fund Balance, January 1, 2003	<u>97,858</u>	<u>278,721</u>	<u>376,579</u>
Fund Balance, December 31, 2003	<u>\$ 72,768</u>	<u>\$ 42,267</u>	<u>\$ 115,035</u>



CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT
(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**

To the Chairman and Members of the
West Baton Rouge Parish Tourist Commission
Port Allen, Louisiana

I have audited the financial statements of West Baton Rouge Parish Tourist Commission, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 24, 2004. I have conducted my audit in accordance with auditing standards generally accepted in The United State of America 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 West Baton Rouge Parish Tourist Commission's financial statements are free of material misstatement, I performed tests of the its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted a certain immaterial instance of noncompliance that I reported to the Tourist Commission in a separate letter dated June 24, 2004.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered West Baton Rouge Parish Tourist Commission's, a component unit of the West Baton Rouge Parish Council, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely

affect the West Baton Rouge Parish Tourist Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the following paragraph

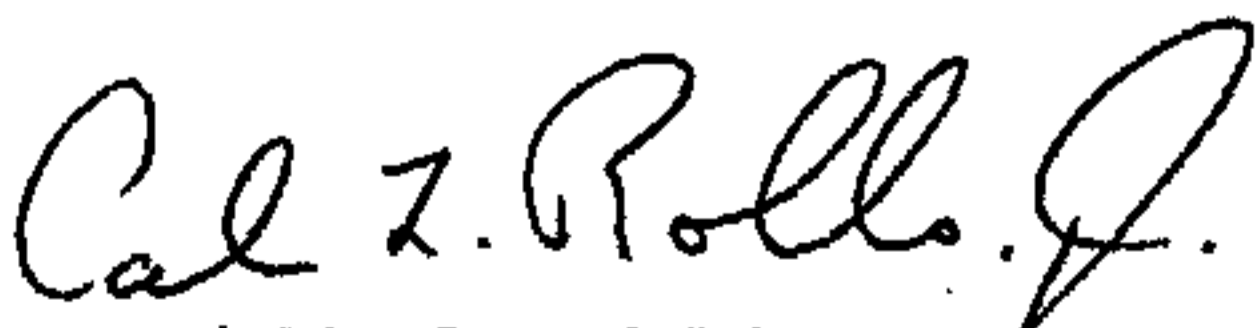
An important element in designing an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of responsibilities. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions:

- 1) Authorization of a transaction;
- 2) Recording of the transaction; and
- 3) Custody of assets involved in the transaction.

Due to the small size of the organization, a proper segregation of duties is not possible with respect to cash transactions. Management believes it is not practical or cost effective to correct this weakness. This is a repeat finding.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that the reportable condition disclosed above relating to lack of segregation of duties is a material weakness.

This report is intended solely for the information of management, and members of the West Baton Rouge Parish Tourist Commission and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant
(A Professional Corporation)

June 24, 2004
Baton Rouge, Louisiana



CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL CORPORATION)

June 24, 2004

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To the Chairman and Members of the
West Baton Rouge Parish Tourist Commission
Port Allen, Louisiana

I have audited the financial statements of West Baton Rouge Parish Tourist Commission, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 24, 2004. As part of obtaining reasonable assurance about whether the West Baton Rouge Parish Tourist Commission's financial statements are free of material misstatement, I performed tests of the its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However I noted the following immaterial instance of noncompliance:

Amended Budget

Louisiana Revised Statute 39:1310 requires a governmental units budget to be amended when projected expenditures exceed budgeted expenditures by five percent or more. The Tourist Commission's actual expenditures exceeded budgeted expenditures by more than five percent in 2003. The Commission's budget was amended during 2003 in an attempt to accurately project expenditures for the year. Although the budget was amended, it was not amended to bring budgeted expenditures to within five percent of actual expenditures. The fact that the budget was amended shows the budget is being used as a management tool and that the Commission is trying to have as accurate a budget as possible.

Management of the Tourist Commission felt this was just an oversight. Actual expenditures only exceed the budgeted amount by more than five percent in one fund. When they amended the Budget to increase budgeted expenditures the members of the Commission felt that further amendment would not be necessary. In the future, management plans monitor the budget more closely and modify the budget when circumstances so dictate.

Certified Public Accountant
(A Professional Corporation)