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ALLEN PARISH TOURIST COMMISSION  
ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS  
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, where appropriate, at the office of the parish clerk of court.

Release Date 9.1.04

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### *Independent Auditor's Report*

Board of Commissioners  
Allen Parish Tourist Commission  
Oberlin, LA

I have audited the accompanying financial statements of the governmental activities and each major fund of the Allen Parish Tourist Commission as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Tourist Commission. 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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 governmental activities and each major fund of the Allen Parish Tourist Commission as of December 31, 2003, and the changes of financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 17, 2004, on my *consideration of the Allen Parish Tourist Commission's internal control over financial reporting and 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.

The Management's Discussion and Analysis and the required supplementary information on page 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Allen Parish Tourist Commission's basic financial statements. The other supplementary information on pages 23 through 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 10 to the basic financial statements, the Allen Parish Tourist Commission adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, Statement No. 37, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments; Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

Royce T. Scimemi, CPA, APAC  
June 17, 2004

*Royce T. Scimemi, CPA, APAC*

## ALLEN PARISH TOURIST COMMISSION

### Management's Discussion and Analysis

Within this section of the Allen Parish Tourist Commission (Commission) annual financial report, the Commission's management is pleased to provide this narrative discussion and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2003. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### Financial Highlights

- The Commission's assets exceeded its liabilities by \$468,479 (net assets) for the fiscal year reported.
- Total revenues of \$225,268 exceeded total expenditures of \$187,700, which resulted in a current year surplus of \$37,568.
- Total net assets are comprised of the following:
  - (1) *Capital assets, net of related debt, of \$338,796 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the purchase of capital assets.*
  - (2) Restricted for debt service of \$27,179.
  - (3) Unrestricted net assets of \$102,504.
- The Commission's governmental funds reported total ending fund balance of \$129,683 this year. This compares to the prior year ending fund balance of \$112,169, reflecting an increase of \$17,514 during the current year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$102,504, or 50% of total General Fund expenditures and 46% of total General Fund revenues including transfers.
- Overall, the Commission continues to maintain a solid financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

#### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Commission's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Commission also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2004.

## ALLEN PARISH TOURIST COMMISSION

### Management's Discussion and Analysis (Continued)

#### Government-wide Financial Statements

The Commission's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Commission's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Commission's assets and liabilities, with the difference 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 Commission as a whole is improving or deteriorating. Evaluation of the overall health of the Commission would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Commission's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Commission's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 13 through 14 of this report.

#### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Commission uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Commission's most significant funds rather than the Commission as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Commission uses governmental funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Commission's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16 through 20 of this report.

#### *Notes to the basic financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis (Continued)

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Commission's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the Commission's adopted and final revised budget. Required supplemental information can be found on page 32 of this report.

**Financial Analysis of the Commission as a Whole**

The Commission implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Commission as a whole.

The Commission's net assets at fiscal year-end are \$468,479. The following table provides a summary of the Commission's net assets:

|   |                   |             |
|---|-------------------|-------------|
| Assets:                                   |                   |             |
| Current assets                            | \$ 134,863        | 22%         |
| Capital assets                            | <u>476,396</u>    | <u>78</u>   |
| Total assets                              | <u>611,259</u>    | <u>100%</u> |
| Liabilities:                              |                   |             |
| Current liabilities                       | 27,780            | 19%         |
| Long-term liabilities                     | <u>115,000</u>    | <u>81</u>   |
| Total liabilities                         | <u>142,780</u>    | <u>100%</u> |
| Net assets:                               |                   |             |
| Investment in capital assets, net of debt | 338,796           | 72%         |
| Restricted                                | 27,179            | 6           |
| Unrestricted                              | <u>102,504</u>    | <u>22</u>   |
| Total net assets                          | \$ <u>468,479</u> | <u>100%</u> |

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis (Continued)

The Commission continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 4.85 to 1.

Note that approximately 72% of the governmental activities' net assets are tied up in capital assets. The Commission uses these capital assets to provide services to its citizens.

Overall, the Commission's office reports net assets of \$468,479. This amount is \$37,568 higher than last year. The Commission's overall financial position improved during fiscal year 2003.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the Commission's changes in net assets:

|                        |                   |             |
|------------------------|-------------------|-------------|
| Revenues:              |                   |             |
| Program:               |                   |             |
| Hotel/Motel Use Tax    | \$ 223,707        | 99%         |
| General:               |                   |             |
| Interest               | <u>1,561</u>      | <u>1</u>    |
| Total Revenues         | <u>225,268</u>    | <u>100%</u> |
| Program expenses:      |                   |             |
| Tourism Administration | 181,379           | 97%         |
| Interest               | <u>6,321</u>      | <u>3</u>    |
| Total Expenses         | <u>187,700</u>    | <u>100%</u> |
| Change in net assets   | <u>37,568</u>     |             |
| Beginning net assets   | <u>430,911</u>    |             |
| Ending net assets      | \$ <u>468,479</u> |             |

**Governmental Revenues**

The Commission is heavily reliant on hotel/motel use taxes. These taxes provided 99% of the Commission's revenues during the current year.

**Governmental Functional Expenses**

The total function of the Commission is to promote tourism in Allen Parish. The only other non-functional cost is interest expense related to the outstanding obligations of long-term debt. Of the total cost, depreciation on the equipment was \$11,713 or 6% of total expenses.



ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis (Continued)

**Financial Analysis of the Commission's Funds**

***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending balance of \$129,683. Legally restricted fund balances (i.e., the reserved fund balances) include: \$27,179 reserved for debt service. As a result, the unreserved, undesignated fund balance is \$102,504.

The unreserved, undesignated fund balance increased by \$17,514 from the previous year.

***Major Governmental Funds***

The General Fund is the Commission's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$3,032,570. The Debt Service Fund accumulates resources for the payment of long-term debt. The fund balance decreased by \$2,514 in 2003.

**Budgetary Highlights**

***The General Fund*** – When the original budget was adopted, it was anticipated that the total revenues and the total expenditures were going to be more than the previous fiscal year by \$23,500 mainly due to an anticipated increase in hotel/motel use tax revenues. The original budget reflected a decrease in total expenditures of \$131,345 from the previous fiscal year, mainly due to an anticipated decrease in capital outlay. The budget was amended during the year, mainly in anticipation of a \$9,500 decrease in hotel/motel use tax revenues.

**Capital Assets and Debt Administrators**

***Capital assets***

The Commission's investment in capital assets, net of accumulated depreciation as of December 31, 2003, was \$476,396. See Note C for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

|                               |                   |
|-------------------------------|-------------------|
| Nondepreciable assets-land    | \$ 78,616         |
| Depreciable assets:           |                   |
| Equipment                     | 49,589            |
| Furniture & fixtures          | 18,355            |
| Buildings                     | 300,237           |
| Improvements                  | <u>65,284</u>     |
| Total depreciable assets      | 433,465           |
| Less accumulated depreciation | <u>35,685</u>     |
| Book value-depreciable assets | \$ <u>397,780</u> |
| Percentage depreciated        | <u>8%</u>         |
| Book value-all assets         | \$ <u>476,396</u> |

## ALLEN PARISH TOURIST COMMISSION

### Management's Discussion and Analysis (Continued)

At December 31, 2003, the depreciable capital assets for governmental activities were 8% depreciated.

The major additions to capital assets includes \$7,890 in improvements.

#### *Long-term debt*

At the end of the fiscal year, the Commission had total long-term debt obligations outstanding of \$135,000. The total amount of these obligations are secured by general fund revenues. During the year, the Commission retired \$20,000 of the outstanding debt balance. See Note E for additional information regarding long-term debt.

#### **Contacting the Commission's Financial Management**

This financial report is designed to provide a general overview of the Commission's finances, comply with finance-related laws and regulations, and demonstrate the Commission's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Director of the Commission, Adagria A. Haddock, at (337) 639-4868.

**BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

ALLEN PARISH TOURIST COMMISSION

Statement of Net Assets  
December 31, 2003

Governmental Activities

ASSETS

|                               |                |
|-------------------------------|----------------|
| Interest-bearing deposits     | \$ 117,305     |
| Non interest-bearing deposits | 464            |
| Taxes receivable              | 16,603         |
| Interest receivable           | 52             |
| Prepaid postage               | 289            |
| Security deposits             | 150            |
| Capital assets                |                |
| Land                          | 78,616         |
| Capital assets, net           | <u>397,780</u> |
| Total assets                  | <u>611,259</u> |

LIABILITIES

|                               |                |
|-------------------------------|----------------|
| Current liabilities:          |                |
| Accounts payable              | 3,926          |
| Accrued interest payable-bond | 2,600          |
| Payroll taxes payable         | 1,254          |
| Long-term liabilities:        |                |
| Due within one year           | 20,000         |
| Due after one year            | <u>115,000</u> |
| Total liabilities             | <u>142,780</u> |

NET ASSETS

|   |                   |
|---|-------------------|
| Invested in capital assets, net of related debt | 338,796           |
| Restricted for debt service                     | 27,179            |
| Unrestricted                                    | <u>102,504</u>    |
| Total net assets                                | \$ <u>468,479</u> |

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

ALLEN PARISH TOURIST COMMISSION

Statement of Activities  
Year Ended December 31, 2003

| <u>Activities</u>                | <u>Expenses</u>   | <u>Program Revenues</u>        | <u>Net (Expense) Revenues and<br/>Changes in Net Assets</u> |
|----------------------------------|-------------------|--------------------------------|---|
|                                  |                   | <u>Hotel/Motel<br/>Use Tax</u> | <u>Governmental<br/>Activities</u>                          |
| Governmental activities:         |                   |                                |   |
| Tourism Administration           | \$ 181,379        | \$ 223,707                     | \$ 42,328   |
| Interest on L-T Debt             | <u>6,321</u>      | <u>-</u>                       | <u>(6,321)</u>  |
| Total                            | <u>\$ 187,700</u> | <u>\$ 223,707</u>              | <u>36,007</u>   |
| General revenues:                |                   |                                |   |
| Unrestricted investment earnings |                   |                                | <u>1,561</u>  |
| Total general revenues           |                   |                                | <u>1,561</u>  |
| Change in net assets             |                   |                                | 37,568  |
| Net assets-December 31, 2002     |                   |                                | <u>430,911</u>  |
| Net assets-December 31, 2003     |                   |                                | <u>\$ 468,479</u>   |

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

FUND FINANCIAL STATEMENTS (FFS)

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Debt Service Fund**

To account for the accumulation of resources for, and the payment of long-term debt.



ALLEN PARISH TOURIST COMMISSION

Balance Sheet - Governmental Funds

December 31, 2003

|  | <u>GENERAL<br/>FUND</u>  | <u>DEBT<br/>SERVICE<br/>FUND</u> | <u>TOTALS</u>            |
|--|--------------------------|----------------------------------|--------------------------|
| <b>ASSETS</b>                                |                          |                                  |                          |
| Cash   | \$ 90,590                | \$ 27,179                        | \$ 117,769               |
| Taxes receivable                             | 16,603                   | -                                | 16,603                   |
| Security deposits                            | 150                      | -                                | 150                      |
| Interest receivable                          | 52                       | -                                | 52                       |
| Prepaid Postage                              | <u>289</u>               | <u>-</u>                         | <u>289</u>               |
| <b>TOTAL ASSETS</b>                          | <b>\$ <u>107,684</u></b> | <b>\$ <u>27,179</u></b>          | <b>\$ <u>134,863</u></b> |
| <b>LIABILITIES AND FUND EQUITY</b>           |                          |                                  |                          |
| <b>Liabilities</b>                           |                          |                                  |                          |
| Accounts payable                             | \$ 3,926                 | \$ -                             | \$ 3,926                 |
| Payroll taxes payable                        | <u>1,254</u>             | <u>-</u>                         | <u>1,254</u>             |
| Total Liabilities                            | <u>5,180</u>             | <u>-</u>                         | <u>5,180</u>             |
| <b>Fund Equity</b>                           |                          |                                  |                          |
| Fund balance                                 |                          |                                  |                          |
| Unreserved and undesignated                  | <u>102,504</u>           | <u>27,179</u>                    | <u>129,683</u>           |
| Total Fund Equity                            | <u>102,504</u>           | <u>27,179</u>                    | <u>129,683</u>           |
| <b>TOTAL LIABILITIES AND<br/>FUND EQUITY</b> | <b>\$ <u>107,684</u></b> | <b>\$ <u>27,179</u></b>          | <b>\$ <u>134,863</u></b> |

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

ALLEN PARISH TOURIST COMMISSION

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

|  |                |                   |
|--|----------------|-------------------|
| Total fund balances for governmental funds at December 31, 2003  |                | \$129,683         |
| Total net assets reported for governmental activities in the statement of net assets is different because:   |                |                   |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: |                |                   |
| Land   | \$ 78,616      |                   |
| Equipment, net of \$17,070 accumulated depreciation  | 32,519         |                   |
| Furniture & Fixtures, net of \$3,646 accumulated depreciation  | 14,709         |                   |
| Buildings, net of \$12,866 accumulated depreciation  | 287,371        |                   |
| Improvements, net of \$2,103 accumulated depreciation  | <u>63,181</u>  | 476,396           |
| Long-term liabilities at December 31, 2003   |                |                   |
| Bonds payable  | (135,000)      |                   |
| Accrued interest payable-bond  | <u>(2,600)</u> | <u>(137,600)</u>  |
| Total net assets of governmental activities at December 31, 2003   |                | \$ <u>468,479</u> |

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

ALLEN PARISH TOURIST COMMISSION

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

Year Ended December 31, 2003

|  | GENERAL<br>FUND   | DEBT<br>SERVICE<br>FUND | TOTALS            |
|--|-------------------|-------------------------|-------------------|
| REVENUES   |                   |                         |                   |
| Hotel/Motel use tax  | \$ 223,707        | \$ -                    | \$ 223,707        |
| Interest   | <u>1,369</u>      | <u>192</u>              | <u>1,561</u>      |
| TOTAL REVENUES   | <u>225,076</u>    | <u>192</u>              | <u>225,268</u>    |
| EXPENDITURES   |                   |                         |                   |
| Current  |                   |                         |                   |
| Advertising  | 33,989            | -                       | 33,989            |
| Bank charges   | 27                | -                       | 27                |
| Contract labor   | 1,361             | -                       | 1,361             |
| Dues   | 605               | -                       | 605               |
| Employee Benefits  | 1,205             | -                       | 1,205             |
| Insurance  | 8,123             | -                       | 8,123             |
| Payroll taxes  | 4,497             | -                       | 4,497             |
| Professional fees  | 4,220             | -                       | 4,220             |
| Promotions   | 20,921            | -                       | 20,921            |
| Rents  | 4,993             | -                       | 4,993             |
| Repairs and maintenance  | 2,383             | -                       | 2,383             |
| Salaries   | 58,788            | -                       | 58,788            |
| Supplies   | 10,244            | -                       | 10,244            |
| Telephone  | 8,162             | -                       | 8,162             |
| Training and education   | 1,805             | -                       | 1,805             |
| Travel   | 3,071             | -                       | 3,071             |
| Utilities  | 5,272             | -                       | 5,272             |
| Capital outlay   | 11,382            | -                       | 11,382            |
| Debt Service   |                   |                         |                   |
| Principal Retirement   | -                 | 20,000                  | 20,000            |
| Interest   | <u>-</u>          | <u>6,706</u>            | <u>6,706</u>      |
| TOTAL EXPENDITURES   | <u>181,048</u>    | <u>26,706</u>           | <u>207,754</u>    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                                     | 44,028            | (26,514)                | 17,514            |
| OTHER FINANCING SOURCES (USES)   |                   |                         |                   |
| Operating transfers in (out)   | <u>(24,000)</u>   | <u>24,000</u>           | <u>-</u>          |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER SOURCES OVER<br>EXPENDITURES AND OTHER USES | 20,028            | (2,514)                 | 17,514            |
| FUND BALANCE - BEGINNING   | <u>82,476</u>     | <u>29,693</u>           | <u>112,169</u>    |
| FUND BALANCE - ENDING  | \$ <u>102,504</u> | \$ <u>27,179</u>        | \$ <u>129,683</u> |

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

**ALLEN PARISH TOURIST COMMISSION**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds to the  
Statement of Activities  
Year Ended December 31, 2003**

|  |                 |                         |
|--|-----------------|-------------------------|
| Total net changes in fund balances at December 31, 2003 per<br>Statement of Revenues, Expenditures and Changes in Fund Balances  |                 | <b>\$17,514</b>         |
| The change in net assets reported for governmental activities in the<br><i>statement of activities is different because:</i>   |                 |                         |
| Governmental funds report capital outlays as expenditures. However,<br>in the statement of activities, the cost of those assets is allocated over<br>their estimated useful lives and reported as depreciation expense.                  |                 |                         |
| Capital outlay which is considered expenditures on Statement<br>of Revenues, Expenditures and Changes in Fund Balances   | \$11,382        |                         |
| Depreciation expense for the year ended December 31, 2003  | <u>(11,713)</u> | (331)                   |
| Governmental funds report bonded debt repayments as expenditures.<br>However, this expenditure does not appear in the statement of<br>activities since the payment is applied against the bond payable on<br>the statement of net assets |                 |                         |
|  |                 | 20,000                  |
| Difference between interest on long-term debt on modified accrual<br>basis versus interest on long-term debt on accrual basis  |                 |                         |
|  |                 | <u>385</u>              |
| Total changes in net assets at December 31, 2003 per Statement of Activities   |                 | <b><u>\$ 37,568</u></b> |

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

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting policies of the Allen Parish Tourist Commission, conform to generally accepted accounting principles as applied to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, Audits of State and Local Governments. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Financial Reporting Entity

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

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

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

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

## ALLEN PARISH TOURIST COMMISSION

### Notes to Basic Financial Statements - Continued

December 31, 2003

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

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

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

#### 2. Basis of Presentation

The accompanying basic financial statements of the Allen Parish Tourist Commission have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements- and Management's Discussion and Analysis-For State and Local Governments", issued in June 1999.

#### Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the Allen Parish Tourist Commission as a whole. These statements include all the financial activities of the Allen Parish Tourist Commission's office. Information contained in these statements reflects 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 exchanges 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 activities presents a comparison between direct expenses and program revenues for each of the functions of the Allen Parish Tourist Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include hotel/motel use tax. Revenues that are not classified as program revenues are presented as general revenues.

#### Fund Financial Statements (FFS)

The Allen Parish Tourist Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid managements by segregating transactions related to certain Allen Parish Tourist Commission functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

*fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Allen Parish Tourist Commission or its total assets, liabilities, revenues or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds. The major funds of the Allen Parish Tourist Commission are described below:*

Governmental Fund - General Fund:

The general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in another funds.

Governmental Fund - Debt Service Fund:

Used to account for the accumulation of resources for, and the payment of long-term debt.

3. Measurement Focus/Basis of Accounting

*The amounts reflected in 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. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is the reconciled, through adjustment, to a government-wide view of Allen Parish Tourist Commission operations. 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 measurement made, regardless of the measurement focus applied.*

The amounts reflected in the governmental funds use the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Allen Parish Tourist Commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Expenditures

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

4. Cash and Interest Bearing Deposits

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2003, the Commission had \$121,430 in deposits (collected bank balances), of which \$100,414 was secured from risk by federal deposit insurance and \$21,016 was uncollateralized.

5. Budget

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

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

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. Expenditures may not legally exceed budgeted appropriations at the activity level. The final budget for 2003 includes the original budget (adopted on November 26, 2002) and one amendment (adopted on November 25, 2003) during the year.

6. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The Allen Parish Tourist Commission maintains a threshold level of \$150 or more for capitalizing capital assets.



ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital assets are recorded in the statement of net assets and statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

| <u>Asset Class</u>   | <u>Estimated Useful Lives</u> |
|----------------------|-------------------------------|
| Equipment            | 3-60 Years                    |
| Furniture & fixtures | 5-60 Years                    |
| Buildings            | 60 Years                      |
| Improvements         | 15-60 Years                   |

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

7. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Allen Parish Tourist Commission's Office as an extension of formal budgetary integration in the funds.

8. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

10. Long-Term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

NOTE B - HOTEL/MOTEL TAXES

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

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets follows:

|                                       | <u>12/31/02</u><br><u>Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>12/31/03</u><br><u>Balance</u> |
|---------------------------------------|-----------------------------------|------------------|--------------------|-----------------------------------|
| Governmental activities:              |                                   |                  |                    |                                   |
| Capital assets not being depreciated: |                                   |                  |                    |                                   |
| Land costs                            | \$ 77,746                         | \$ 870           | \$ -               | \$ 78,616                         |
| Other capital assets:                 |                                   |                  |                    |                                   |
| Equipment                             | 48,212                            | 1,377            | -                  | 49,589                            |
| Furniture & fixtures                  | 17,355                            | 1,000            | -                  | 18,355                            |
| Buildings                             | 299,992                           | 245              | -                  | 300,237                           |
| Improvements                          | <u>57,394</u>                     | <u>7,890</u>     | -                  | <u>65,284</u>                     |
| Total                                 | <u>500,699</u>                    | <u>11,382</u>    | -                  | <u>512,081</u>                    |
| Less: Accumulated Depreciation        |                                   |                  |                    |                                   |
| Equipment                             | 12,599                            | 4,471            | -                  | 17,070                            |
| Furniture & fixtures                  | 2,640                             | 1,006            | -                  | 3,646                             |
| Buildings                             | 7,864                             | 5,002            | -                  | 12,866                            |
| Improvements                          | <u>869</u>                        | <u>1,234</u>     | -                  | <u>2,103</u>                      |
| Total                                 | <u>23,972</u>                     | <u>11,713</u>    | -                  | <u>35,685</u>                     |
| Net capital assets                    | <u>\$ 476,727</u>                 | <u>\$ (331)</u>  | <u>\$ -</u>        | <u>\$ 476,396</u>                 |

Depreciation expense in the amount of \$11,713 was charged to tourism administration.

NOTE D - COMPENSATED ABSENCES

Full time employees receive sick leave at a rate of 96 hours per year. Sick leave expires at the end of each fiscal year and has not been accrued in the financial statements. Full time employees also receive annual leave based upon length of employment. The annual leave becomes available to employees on the anniversary date of each work year. Annual leave is paid to employees upon termination of employment or retirement. Annual leave also expires at the end of each fiscal year and has not been accrued in the financial statements. Employees earn annual leave as follows:

|           |         |
|-----------|---------|
| 1 Year    | 5 Days  |
| 2-9 Years | 10 Days |
| 10+ Years | 15 Days |

Accrued leave payable was \$0 for the year ended December 31, 2003.

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

NOTE E - LONG-TERM DEBT

1. Debt Outstanding

Bonds payable at December 31, 2003, is comprised of the following issue:

\$200,000 general obligation bonds dated February 1, 1999; due in annual installments of \$20,000 to \$25,000 through February 1, 2009; accrued interest is paid semiannually; interest at 4.625%.

The following is a summary of the long-term debt transactions during the year ending December 31, 2003:

|                                    | <u>Bonded<br/>Debt</u> |
|------------------------------------|------------------------|
| Long-term debt payable at 12/31/02 | \$ 155,000             |
| Additions                          | -                      |
| Payments (principal)               | <u>20,000</u>          |
| Long-term debt payable at 12/31/03 | <u>\$ 135,000</u>      |

2. Debt Service Requirements to Maturity

The annual requirements to amortize all debts outstanding as of December 31, 2003, including interest payments of \$19,771 are as follows:

| <u>Year Ending December 31,</u> | <u>Total</u>      |
|---------------------------------|-------------------|
| 2004                            | \$ 25,781         |
| 2005                            | 24,856            |
| 2006                            | 23,931            |
| 2007                            | 27,891            |
| 2008                            | 26,734            |
| Thereafter                      | <u>25,578</u>     |
|                                 | <u>\$ 154,771</u> |

NOTE F - RISK MANAGEMENT

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

NOTE G - OPERATING LEASES

The Commission has entered into an operating lease for a postage meter. The lease is for 54 months and

ALLEN PARISH TOURIST COMMISSION

Notes to Basic Financial Statements - Continued

December 31, 2003

is noncancelable. This lease is set to expire in early 2004. A new lease was entered into during late 2003 for a postage meter that is effective immediately following the expiration of the old lease. The Commission has also entered into an operating lease for a billboard sign. The lease is for 12 months and is noncancelable. For the year ended December 31, 2003, operating lease expenditures totaled \$2,078.

The annual requirements to fulfil noncancelable lease obligations are as follows:

| <u>Year Ending, December 31,</u> | <u>Total</u>    |
|----------------------------------|-----------------|
| 2004                             | \$ 3,415        |
| 2005                             | 828             |
| 2006                             | 828             |
| 2007                             | 828             |
| 2008                             | <u>621</u>      |
|                                  | \$ <u>6,520</u> |

NOTE B – CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2003 the Commission has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Commission’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Sheriff Commission also implemented GASB Statement No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2002 to be restated in terms of “net assets” as follows:

|   |                 |                   |
|---|-----------------|-------------------|
| Total fund balances – Governmental Funds at December 31, 2002 |                 | \$ 112,169        |
| Add: Cost of capital assets at December 31, 2002              | \$ 500,699      |                   |
| Less: Accumulated depreciation at December 31, 2002           | <u>(23,972)</u> | 476,727           |
| Less: Long-term debt obligations at December 31, 2002         | (155,000)       |                   |
| Accrued interest payable at December 31, 2002                 | <u>(2,985)</u>  | <u>(157,985)</u>  |
| Net assets at December 31, 2002                               |                 | \$ <u>430,911</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**

ALLEN PARISH TOURIST COMMISSION

General Fund  
Budgetary Comparison Schedule

Year Ended December 31, 2003

|   | Budget           |                  | Actual            | Variance                   |
|---|------------------|------------------|-------------------|----------------------------|
|   | Original         | Final            |                   | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>   |                  |                  |                   |                            |
| Hotel/Motel tax   | \$ 230,000       | \$ 220,500       | \$ 223,707        | \$ 3,207                   |
| Interest  | 4,000            | 2,000            | 1,369             | (631)                      |
| <b>TOTAL REVENUES</b>   | <u>234,000</u>   | <u>222,500</u>   | <u>225,076</u>    | <u>2,576</u>               |
| <b>EXPENDITURES</b>   |                  |                  |                   |                            |
| Current   |                  |                  |                   |                            |
| Advertising   | 30,000           | 35,000           | 33,989            | 1,011                      |
| Bank charges  | 50               | 35               | 27                | 8                          |
| Contract labor  | 5,000            | 2,000            | 1,361             | 639                        |
| Dues  | 500              | 700              | 605               | 95                         |
| Employee benefits   | 700              | 1,400            | 1,205             | 195                        |
| Insurance   | 4,500            | 8,150            | 8,123             | 27                         |
| Payroll taxes   | 6,400            | 6,400            | 4,497             | 1,903                      |
| Professional fees   | 4,000            | 4,350            | 4,220             | 130                        |
| Promotions  | 29,000           | 23,100           | 20,921            | 2,179                      |
| Rents   | -                | -                | 4,993             | (4,993)                    |
| Repairs and maintenance   | 3,000            | 4,500            | 2,383             | 2,117                      |
| Salaries  | 64,000           | 64,000           | 58,788            | 5,212                      |
| Supplies  | 13,500           | 11,500           | 10,244            | 1,256                      |
| Telephone   | 8,000            | 9,000            | 8,162             | 838                        |
| Training and education  | 4,000            | 2,000            | 1,805             | 195                        |
| Travel  | 5,000            | 4,000            | 3,071             | 929                        |
| Utilities   | 6,500            | 6,500            | 5,272             | 1,228                      |
| Capital outlay  | 17,500           | 15,000           | 11,382            | 3,618                      |
| Debt Service  |                  |                  |                   |                            |
| Principal retirement  | 20,800           | 20,100           | -                 | 20,100                     |
| Interest  | 6,707            | 6,707            | -                 | 6,707                      |
| <b>TOTAL EXPENDITURES</b>   | <u>229,157</u>   | <u>224,442</u>   | <u>181,048</u>    | <u>43,394</u>              |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b>   | <u>4,843</u>     | <u>(1,942)</u>   | <u>44,028</u>     | <u>45,970</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                  |                  |                   |                            |
| Operating transfers out   | -                | -                | (24,000)          | (24,000)                   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>AND OTHER SOURCES OVER<br/>EXPENDITURES AND OTHER USES</b> | 4,843            | (1,942)          | 20,028            | 21,970                     |
| <b>FUND BALANCE - BEGINNING</b>   | <u>82,476</u>    | <u>82,476</u>    | <u>82,476</u>     | -                          |
| <b>FUND BALANCE - ENDING</b>  | <u>\$ 87,319</u> | <u>\$ 80,534</u> | <u>\$ 102,504</u> | <u>\$ 21,970</u>           |

# ROYCE T. SCIMEMI, CPA, APAC



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Certified Public Accountants

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

June 17, 2004

Board of Commissioners  
Allen Parish Tourist Commission  
Oberlin, Louisiana

I have audited the basic financial statements of Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 17, 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.

### Compliance

As part of obtaining reasonable assurance about whether Allen Parish Tourist Commission's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*. It is described in the accompanying schedule of findings and questioned costs.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Allen Parish Tourist Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. 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



Board of Commissioners

June 17, 2004

Page 2

internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 solely for the information of management and use of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Royce T. Scimemi, CPA, APAC* Royce T. Scimemi, CPA, APAC

**ALLEN PARISH TOURIST COMMISSION**

**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2003**

**Current Year Findings:**

**1. Summary of Auditors' Results:**

- a. Auditor issued an unqualified opinion on the financial statements.
- b. No reportable conditions in internal control over financial reporting and its operation were disclosed by the audit of the financial statements.
- c. No noncompliance, except as noted in #2 below, which is material to the financial statements, was disclosed by the audit of the financial statements.

**2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards.**

Louisiana law requires that bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. As reported in Note A (4), the commission maintained bank balances in excess of federal deposit insurance and pledged security was not provided by the fiscal agent. This left \$21,016 in cash and certificates of deposit without proper security in accordance with Louisiana law.

**3. Findings and Questioned Costs for Federal Awards**

N/A

**Prior Year Findings:**

**Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards.**

**La. Rev. Stat. 39:1306 Public Participation states:**

"A. Political subdivisions with total proposed expenditures of two hundred fifty thousand dollars or more from the general fund and any special revenue funds shall afford the public an opportunity to participate in the budgetary process prior to the adoption of the budget.

B. Upon completion of the proposed budget and, if applicable, its submission to the governing authority, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing. Where applicable, publication shall be in the

**ALLEN PARISH TOURIST COMMISSION**

**Schedule of Findings and Questioned Costs-Continued**

**Year Ended December 31, 2003**

official journal of the political subdivision. Where there is no requirement that the political subdivision have an official journal, publication shall be in the official journal of the governing parish in which the political subdivision is located.

**C. No proposed budget shall be considered for adoption or otherwise finalized until at least one public hearing has been conducted on the proposal.**

**D. The political subdivision shall certify completion of all action required by this Section by publishing a notice in the same manner as is herein provided for the notice of availability of the proposed budget and public hearing."**

The commission publishes it's minutes but it did not:

- A. Publish a notice stating that the proposed budget is available for public inspection.**
- B. Publish that same notice stating the date, time and place of the budget public hearing.**
- C. Publish that same notice at least ten days prior to the date of the public hearing.**
- D. Adopt the budget only after the public hearing was complete.**
- E. Certify the completion of all action required by the above referenced Section by publishing a notice in the same manner as is herein provided for the notice of availability of the proposed budget and public hearing.**
- F. Perform the same procedures as noted in A. through E. above for each amendment of the budget during the fiscal year.**

The prior year findings were corrected satisfactorily.

ALLEN PARISH TOURIST COMMISSION

Corrective Action Plan

Year Ended December 31, 2003

The director and the commissioners of the Allen Parish Tourist Commission were unaware of the requirement to have pledged securities as collateral for all bank accounts and certificates of deposit that were not federally insured. The commission will ensure that pledged securities will be provided by its fiscal agents for all interest bearing accounts over \$100,000 and all non-interest bearing accounts over \$100,000.



President

Allen Parish Tourist Commission