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Sabine Parish Tourist and Recreation Commission

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1999

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Release Date 12-8-99



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Eugene W. Fremaux II

Certified Public Accountant

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
JUNE 30, 1999

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sabine Parish Tourist and
Recreation Commission
Many, Louisiana

I have audited the accompanying component unit financial statements of the Sabine Parish Tourist and Recreation Commission, Many, Louisiana, a component unit of the Sabine Parish Police Jury, State of Louisiana, and the individual fund and account group financial statements of the Sabine Parish Tourist and Recreation Commission, Many, Louisiana, as of June 30, 1999 and for the year then ended. These financial statements are the responsibility of the Sabine Parish Tourist and Recreation 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 generally accepted auditing standards and the standards for financial and compliance 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 component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Sabine Parish Tourist and Recreation Commission, Many, Louisiana, a component unit of the Sabine Parish Police Jury, State of Louisiana, as of June 30, 1999, and the results of its operations, and changes in fund balance for the year then ended in conformity with generally accepted accounting principles. Also, in my opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual fund and account group of the Sabine Parish Tourist and Recreation Commission at June 30, 1999, and the results of the operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated November 4, 1999 on my consideration of the Sabine Parish Tourist and Recreation Commission, Many, Louisiana's internal control over financial reporting and my tests on its compliance with certain provision of laws, regulations and contracts.

The financial information for the year ended June 30, 1998, which is included for comparative purposes, were taken from the financial report for that year in which I expressed an unqualified opinion dated August 19 1998, on the component unit, individual fund, and account group financial statements of the Sabine Parish Tourist and Recreation Commission, Many, Louisiana.



EUGENE W. FREMAUX II, CPA
November 4, 1999

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999 AND 1998

	GOVERNMENT FUND TYPE GENERAL FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY) JUNE 30,	
			1999	1998
ASSETS				
Cash	\$89,222	\$0	\$89,222	\$19,532
Accounts receivable	22,984	0	22,984	35,246
Office furniture and equipment	0	11,185	11,185	11,185
Automobile	0	20,243	20,243	20,243
Prepaid expenses	2,627		2,627	1,593
Total assets	\$114,833	\$31,428	\$146,261	\$87,799
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$198
Total liabilities	0	0	0	198
Fund equity:				
Investment in general fixed assets	0	31,428	31,428	31,428
Fund balance - unreserved	114,833	0	114,833	56,173
Total fund equity	114,833	31,428	146,261	87,601
Total liabilities and fund balance	\$114,833	\$31,428	\$146,261	\$87,799

The accompanying notes are an integral part of these statements.

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Revenues:		
Hotel-motel tax	\$61,805	\$55,338
Act 18 appropriation	39,700	\$39,700
Miscellaneous income	6,098	6,144
Interest income	1,388	335
	<u>108,991</u>	<u>101,517</u>
Total revenues		
Expenditures:		
General government:		
Advertising, printing and publicity	17,796	18,222
Administrative fee	19,120	19,120
Shows and travel expense	4,693	5,769
Office supplies	2,543	3,276
Professional fees	950	950
Insurance	969	1,016
Telephone	2,545	3,091
Dues	649	639
Interest	10	154
Collection fees	1,056	1,126
	<u>50,331</u>	<u>53,363</u>
Total general government		
Capital outlay	<u>0</u>	<u>2,206</u>
Total expenditures	<u>50,331</u>	<u>55,569</u>
Excess (deficiency) of revenues over (under) expenditures	58,660	45,948
Fund balance, beginning	<u>56,173</u>	<u>10,225</u>
Fund balance, ending	<u>\$114,833</u>	<u>\$56,173</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

(1) Summary of significant accounting policies

The Sabine Parish Tourist and Recreation Commission, Many, Louisiana, was created by an ordinance of the Sabine Parish Police Jury. The Commission is a political subdivision of the Sabine Parish Police Jury, whose jurors are elected officials. This report includes all funds and account groups which are controlled by or dependent on the Board of Directors of the Sabine Parish Tourist and Recreation Commission. Control by or dependence on the Commission was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Based on this criteria, there is no other governmental body that should be included in these statements. The accompanying financial statements consist only of the fund and account group of the Sabine Parish Tourist and Recreation Commission and do not present information on the Sabine Parish Police Jury.

The accounting and reporting practices of the Sabine Parish Tourist and Recreation Commission conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the general requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices the Commission now follows:

Fund accounting - The accounts of the Tourist and Recreation Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. 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 funds are grouped in this report into one generic fund type and one broad fund category as follows:

Governmental Fund -

 General Fund -

 The general fund is the general operating fund of the Commission. It is used to account for all financial resources of the Commission.

Fixed assets and long-term liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on its balance sheet. Its reported fund balance is considered a measure of "available spendable resources".

Fixed assets used in general fund operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the general fund when purchased. No depreciation has been recorded on general fixed assets.

All fixed assets are valued at historical cost.

This account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operation.

Long-term liabilities expected to be financed from governmental fund types are accounted

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

(1) Summary of significant account policies (continued)

for in the General Long-Term Debt Account Group. This is not a fund but rather an account group that is used to account for the outstanding principal balances of long-term debt.

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

The general fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become available as net current assets. Motel taxes, intergovernmental revenues, and interest are accrued when their receipt occurs soon enough after the end of the accounting period to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budget practices - The Commission prepares and adopts an annual budget, the dollar amounts being allocated to the various expenditure categories based upon the total amount of anticipated revenues. All expenditures in excess of budgeted amounts were approved by the Commission, even though never formally incorporated in the budget by amendment. Budget appropriations lapse at the end of each year.

Comparative data - Comparative total data for the prior year have 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 year totals by fund type) data have 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 - overview - Total columns on the combined statements - overview 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. Inter-fund eliminations have not been made in the aggregation of this data.

(2) Pending litigation

The Sabine Parish Tourist and Recreation Commission is not involved in any litigation at June 30, 1999.

(3) Tax revenue

The Commission is authorized to levy and collect sales taxes at the rate of 3% of certain sales by tourist enterprises. Effective July 1, 1996 the Commission replaced the sales tax ordinance as adopted by the Sabine Parish Police Jury on July 17, 1974 with an ordinance to collect a 3% occupancy tax within the framework provided by Act No. 47 of the 1995 Regular Session of the Louisiana Legislature. During the year ended June 30 1993, the Commission entered into an agreement with the Sabine Parish Sales and Use Tax Commission (Tax Commission) to authorize the Tax Commission to collect the occupancy tax beginning February 1, 1993.

During 1998 and 1999 the Commission received certain appropriated sales tax revenues from Louisiana in accordance with Act 18 of the 1997 Legislature and Act 19 of the 1998 Legislature, respectively.

(4) Administrative fee

The Commission shares staffing and occupancy expenses with the Sabine Parish Chamber of

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Commerce. Staffing and occupancy expenses are paid by the Sabine Parish Chamber of Commerce. A fixed monthly assessment is paid by the Commission to the Chamber to reimburse the cost of services provided by the Chamber to the Commission. At June 30, 1999, the July 1999 assessment of \$2,167 had been prepaid by the Commission.

(5) Operations

The Commission operates as a political subdivision created by the Sabine Parish Police Jury, therefore it is exempt from income tax and is not required to file an annual information return.

(6) Accounts receivable

At June 30, 1999 receivables include \$14,590 due from Louisiana and \$8,394 due from the Sabine Parish Sales Tax Commission.

(7) Leases

The Sabine Parish Tourist and Recreation Commission was not involved in any capital or operating leases at June 30, 1999.

(8) Cash and investments

Louisiana Revised Statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit, or any other federally insured investment. Investments are stated at cost, which approximates market value. These investments, which are deposits in interest bearing money market accounts, and all bank deposits are fully secured through federal depository insurance.

(9) Changes in general fixed assets

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Equipment-display furniture and fixtures	\$ 8,562	\$ 0	\$ 0	\$ 8,562
Office furniture & fixtures	2,143			2,143
Photographic equipment	480			480
Automobile	20,243			20,243
	-----	-----	-----	-----
	\$31,428	\$ 0	\$ 0	\$31,428
	=====	=====	=====	=====

(10) Miscellaneous income

Miscellaneous income for the year ended June 30, 1999 is composed of the following:

Grant from Louisiana Division of the Arts	\$3,280
Cooperative advertising support	2,032
Other	786

	\$6,098
	=====

(11) Compensation of directors

The directors received no compensation or per diem during the year ended June 30, 1999.

(12) Year 2000

The Commission does not expect to have to spend any significant funds to become year 2000 compliant. The Commission does not expect any interruption of critical services.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUND
AND ACCOUNT GROUP

GENERAL FUND

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

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

ASSETS	1999	1998
Cash	\$89,222	\$19,532
Accounts receivable	22,984	35,246
Prepaid expenses	2,627	1,593
Total assets	<u>\$114,833</u>	<u>\$56,371</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	<u>\$0</u>	<u>\$198</u>
Total liabilities	0	198
Fund balance - unreserved	<u>114,833</u>	<u>56,173</u>
Total liabilities and fund balance	<u>\$114,833</u>	<u>\$56,371</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Hotel-motel tax	\$51,000	\$61,805	\$10,805
Louisiana appropriation	15,000	39,700	24,700
Miscellaneous income	2,200	6,098	3,898
Interest income	0	1,388	1,388
Total revenues	68,200	108,991	40,791
Expenditures:			
General government:			
Advertising and publicity	20,200	17,796	2,404
Administrative fee	19,120	19,120	0
Shows and travel expense	6,700	4,693	2,007
Office supplies	3,200	2,543	657
Professional fees	950	950	0
Insurance	1,015	969	46
Telephone	3,200	2,545	655
Dues	650	649	1
Interest	100	10	90
Collection fees	1,100	1,056	44
Total general government	56,235	50,331	5,904
Capital outlay	2,206	0	2,206
Total expenditures	58,441	50,331	8,110
Excess (deficiency) of revenues over (under) expenditures	9,759	58,660	48,901
Fund balance, beginning	56,173	56,173	0
Fund balance, ending	\$65,932	\$114,833	\$48,901

The accompanying notes are an integral part of these statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in general fund operations.

EXHIBIT E

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1999 AND 1998

	1999	1998
General fixed assets, at cost:		
Equipment - display furniture and fixtures	\$8,562	\$8,562
Office furniture and fixtures	2,143	2,143
Photographic equipment	480	480
Automobile	20,243	20,243
	<u>\$31,428</u>	<u>\$31,428</u>
Investment in general fixed assets:		
General fund revenues	<u>\$31,428</u>	<u>\$31,428</u>

EXHIBIT F

SABINE PARISH TOURIST AND RECREATION COMMISSION
MANY, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED JUNE 30, 1999

	Equipment- display furniture & fixtures	Office furniture & fixtures	Photo Equipment	Autos
Balance, beginning of year	<u>\$8,562</u>	<u>\$2,143</u>	<u>\$480</u>	<u>\$20,243</u>
Additions	0	0	0	0
Deductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance, end of year	<u>\$8,562</u>	<u>\$2,143</u>	<u>\$480</u>	<u>\$20,243</u>

The accompanying notes are an integral part of these statements.

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

The Board of Directors
Sabine Parish Tourist and
Recreation Commission
Many, Louisiana

I have audited the component unit financial statements of the Sabine Parish Tourist and Recreation Commission, Louisiana, and the individual fund, and account group financial statements of the Sabine Parish Tourist and Recreation Commission, Louisiana, for the year ended June 30, 1999, and have issued my report thereon dated November 4, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Sabine Parish Tourist and Recreation Commission, Louisianas component unit 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 provision 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Sabine Parish Tourist and Recreation Commission, Louisianas internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



EUGENE W. FREMAUX II, CPA
November 4, 1999

Eugene W. Fremaux II

Certified Public Accountant

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The Board of Directors
Sabine Parish Tourist and
Recreation Commission
Many, Louisiana

In connection with my audit of the component unit financial statements of the Sabine Parish Tourist and Recreation Commission, Many, Louisiana for the year ended June 30, 1999, I offer the following observations and recommendations, which are intended to help improve the operations of the Commission and are to be constructive in nature:

STATUS OF PRIOR YEAR RECOMMENDATIONS

1. Existing condition

The Commission did not adopt the budget for the year ended June 30, 1998 until July 15, 1997, however no funds for the year ended June 30, 1998 were disbursed prior to July 15, 1997. Louisiana laws require that the budget be adopted prior to the start of the year.

Recommended action

The Commission should adopt the budget on a timely basis.

Action taken

The Commission adopted the budget for the year ended June 30, 1999 on a timely basis. In addition, the budget for the year ending June 30, 2000 was adopted on a timely basis.

* * * * *

The above observations and recommendations are not all inclusive. I would like to thank you for your cooperation during my engagement.

Sincerely,



EUGENE W. FREMAUX II, CPA
November 4, 1999