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**LAFAYETTE PARISH CONVENTION
AND VISITORS COMMISSION
Lafayette, Louisiana**

Financial Report

Year Ended December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 02 1998

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	4
Statement of revenues, expenditures, and changes in fund balance - governmental fund type - general fund	5
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - governmental fund type - general fund	6
Notes to financial statements	7-14
SUPPLEMENTAL INFORMATION	
SCHEDULE OF INDIVIDUAL FUND AND ACCOUNT GROUPS	
General Fund:	
Comparative balance sheets	18
Comparative statements of revenues	19
Comparative statements of expenditures	20-23
General Fixed Assets Account Group:	
Comparative statements of general fixed assets	25
Statement of changes in general fixed assets	26
General Long-Term Debt Account Group:	
Statement of general long-term debt	28
INTERNAL CONTROL AND COMPLIANCE	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	30-31
Schedule of Prior and Current Audit Findings and Management's Corrective Action Plan	32-33

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INDEPENDENT AUDITORS' REPORT

The President and Members of
the Board of Commissioners
Lafayette Parish Convention
and Visitors Commission
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements of the Lafayette Parish Convention and Visitors Commission, as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred above present fairly, in all material respects, the financial position of the Lafayette Parish Convention & Visitors Commission, as of December 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 26, 1999, on our consideration of the Lafayette Parish Convention & Visitors Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information on page 15A is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Lafayette Parish Convention & Visitors Commission is or will become year 2000 compliant, that the Commission's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Commission does business are or will become year 2000 compliant.

The other supplementary information (pp. 16-33) is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Lafayette Parish Convention and Visitors Commission.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
April 26, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1998

	Governmental Fund Type <u>General</u>	Fiduciary Fund Type <u>Agency</u>	Account Groups		Totals (Memorandum Only)	
			General Fixed Assets	General Long-Term Debt	1998	1997
ASSETS						
Cash and investments	\$ 168,382	\$ 53,222	\$ -	\$ -	\$ 221,604	\$ 207,534
Taxes receivable	79,657	-	-	-	79,657	86,171
Accounts receivable	9,263	-	-	-	9,263	10,133
Prepaid items	50,338	-	-	-	50,338	49,139
Buildings	-	-	367,132	-	367,132	367,132
Equipment	-	-	222,920	-	222,920	204,431
Improvements	-	-	35,712	-	35,712	35,712
Lease deposit	350	-	-	-	350	350
Amount to be provided for retirement of general long-term debt	-	-	-	1,119	1,119	1,069
Total assets	\$ 307,990	\$ 53,222	\$ 625,764	\$ 1,119	\$ 988,095	\$ 961,671
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ 32,043	\$ -	\$ -	\$ -	\$ 32,043	\$ 38,088
Payroll deductions payable	151	-	-	-	151	183
Accrued compensated absences	-	-	-	1,119	1,119	1,069
Due to others	-	53,222	-	-	53,222	29,621
Total liabilities	32,194	53,222	-	1,119	86,535	68,961
Fund equity:						
Investment in general fixed assets	-	-	625,764	-	625,764	607,275
Fund balances -						
Reserved for special projects	6,332	-	-	-	6,332	332
Reserved for prepaid items	50,338	-	-	-	50,338	49,139
Unreserved and undesignated	219,126	-	-	-	219,126	235,964
Total fund equity	275,796	-	625,764	-	901,560	892,710
Total liabilities and fund equity	\$ 307,990	\$ 53,222	\$ 625,764	\$ 1,119	\$ 988,095	\$ 961,671

The accompanying notes are an integral part of this statement.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund Type - General Fund
Year Ended December 31, 1998

Revenues:	
Taxes	\$1,218,087
Fees and service	35,422
Co-op programs	38,782
Interest	13,071
Miscellaneous	<u>64,327</u>
Total revenues	<u>1,369,689</u>
Expenditures:	
Current -	
Culture and recreation:	
Personnel	452,739
Administrative and public affairs	179,627
Tourism program	349,471
Convention program	178,344
Membership	2,019
Winter visitor marketing	48,680
Film commission	3,679
Sports events	10,299
Gateway	35,000
Festival promotion	29,366
Local awareness	3,111
Special projects	39,000
Unplanned events	29,243
Capital outlay	<u>18,750</u>
Total expenditures	<u>1,379,328</u>
Deficiency of revenues over expenditures	(9,639)
Fund balance, beginning of year	<u>285,435</u>
Fund balance, end of year	<u><u>\$ 275,796</u></u>

The accompanying notes are an integral part of this statement.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Governmental Fund Type - General Fund
Year Ended December 31, 1998
With Comparative Actual Amounts for Year Ended December 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 1,224,000	\$ 1,218,087	\$ (5,913)	\$ 1,132,292
Fees and services	33,000	35,422	2,422	38,057
Co-op programs	41,000	38,782	(2,218)	28,283
Interest	10,000	13,071	3,071	13,943
Miscellaneous	64,000	64,327	327	20,318
Total revenues	<u>1,372,000</u>	<u>1,369,689</u>	<u>(2,311)</u>	<u>1,232,893</u>
Expenditures:				
Current -				
Culture and recreation:				
Personnel	451,000	452,739	(1,739)	409,548
Administrative and public affairs	209,200	179,627	29,573	181,824
Tourism program	306,300	349,471	(43,171)	255,135
Convention program	185,700	178,344	7,356	186,893
Membership	4,200	2,019	2,181	1,844
Winter visitor marketing	41,500	48,680	(7,180)	41,596
Film commission	7,400	3,679	3,721	7,943
Sports events	10,600	10,299	301	2,001
Gateway	32,000	35,000	(3,000)	7,000
Festival promotion	27,000	29,366	(2,366)	13,085
Local awareness	4,100	3,111	989	5,191
Special projects	29,000	39,000	(10,000)	29,652
Unplanned events	14,000	29,243	(15,243)	31,744
Capital outlay	50,000	18,750	31,250	46,936
Total expenditures	<u>1,372,000</u>	<u>1,379,328</u>	<u>(7,328)</u>	<u>1,220,392</u>
Excess (deficiency) of revenues over expenditures	-	(9,639)	(9,639)	12,501
Fund balance, beginning of year	<u>285,435</u>	<u>285,435</u>	-	<u>272,934</u>
Fund balance, end of year	<u>\$ 285,435</u>	<u>\$ 275,796</u>	<u>\$ (9,639)</u>	<u>\$ 285,435</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Lafayette Parish Convention and Visitors Commission (hereafter referred to as the "Commission") has been created by and in accordance with provisions of Act 38 of the State of Louisiana of 1974, Lafayette Parish Ordinance No. 277 of 1974, for the purpose of promoting the Convention and Visitors Industry of the Lafayette Parish area to the greatest possible extent.

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Commission and legislative branches (the President and Board of Commissioners). 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 the foregoing criteria, certain units of local government over which the Commission exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Commission.

The Commission is governed by a Board of Commissioners composed of nine members. One member is appointed by the Acadiana Hotel-Motel Association; one member is appointed by the Restaurant Association; one member is appointed by the Retail Merchants Association; one member is the President of the Lafayette Parish Consolidated Government; four members are appointed by the Lafayette Parish Consolidated Government; and one member is appointed by the Greater Lafayette Chamber of Commerce.

B. Fund Accounting

The accounts of the Commission are organized on the basis of two funds and two 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. Government resources are accounted for in these funds based upon the purposes for which they are to be spent and

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

General Fund

The General Fund is the principal fund of the Commission and is used to account for all financial resources of the Commission. General operating expenditures are paid from this fund.

Agency Funds

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are used to account for all receipts and disbursements associated with the following:

Jean Lafitte Scenic Byway District Fund - To account for funds associated with the economic development and tourism in the parishes traversed by the Jean Lafitte Scenic Byway.

Real French Destination Scenic Byway District Fund - To account for funds associated with the economic development and tourism in the parishes traversed by the Real French Destination Scenic Byway.

Visitor Enterprise Fund - To account for funds appropriated by the Louisiana State Treasury.

C. Account Groups

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the General Fund. No depreciation has been provided on general fixed assets. Infrastructure as well as interest costs are not capitalized. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. Estimated amounts are immaterial in relation to total fixed assets. Gifts or contributions of property are recorded in general fixed assets at fair market value at the time received.

General Long-term Debt Account Group

The General Long-term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

An account group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

D. 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 Commission's records are accounted for using the modified accrual basis of accounting except for the Agency Funds which are prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Hotel and motel sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on interest-bearing deposits.

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

E. Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or as amended by the Commission. All budgetary appropriations lapse at the end of each fiscal year.

F. Adoption of GASB Statement No. 31

Governmental Accounting Standards Board (GASB) issued Statement No. 31 entitled Accounting and Financial Reporting for Certain Investments and for External Investment Pools which became effective for periods beginning after June 15, 1997. The Commission first implemented this statement for the year ended December 31, 1998. This statement requires that certain investments be reported at fair value or amortized cost, if *applicable definitions are met.*

G. Cash and Investments

Cash and investments include amounts in demand deposits and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP) which are stated at cost. An investment in the amount of \$110,290 at December 31, 1998 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.165 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment 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 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. 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 principle offices in Louisiana.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1998 are recorded as prepaid items.

I. Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Employees of the Commission's office earn 12 to 18 days of vacation leave each year depending on length of service.

In addition, employees earn 12 days of sick leave each year. Employees shall be allowed to carry over one-third of their vacation leave earned during the current calendar year. Sick leave may be accumulated to a maximum of 130 days. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group.

J. Encumbrances

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

K. Fund Equity

Reserved fund balances represent portions of fund balances that are not appropriable for expenditures or are legally segregated for a specific future use.

L. Total Columns on Combined Balance Sheet - Overview

Total columns on the combined balance sheet - overview is captioned Memorandum

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(2) Cash and Investments

At December 31, 1998, the Commission has five demand deposit accounts (book balance) totaling \$59,554.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balance) 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 bank. Deposit balance (bank balance) at December 31, 1998 of \$69,980 is secured in total by federal deposit insurance.

At December 31, 1998, the Commission has two money market mutual fund investments. These investments are composed of Treasury bills, notes and other obligations which are fully guaranteed as to payment by the United States government. Because of the safety of these investments, these investments take exception to state law requiring security of federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 1998 the carrying amount of these investments was \$162,050; the bank balance was \$216,363.

The Commissions had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP, which is also considered to be a money market mutual fund investment identified in the preceding paragraph. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At December 31, 1998, the Commission's investment, at cost, is \$110,290. The amortized cost of this investment at December 31, 1998 is \$110,328. Because cost approximates amortized cost, the carrying value was not adjusted. Based upon the immaterial difference between cost and amortized cost, no restatement of prior periods was necessary at December 31, 1998.

(3) Taxes Receivable

The balance in taxes receivable of \$79,657 at December 31, 1998 represents the Commission's portion of the accommodation tax collected in December by the parish tax collector.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(4) Accounts Receivable

The balance in accounts receivable of \$9,263 at December 31, 1998 is primarily due from vendors who participate in cooperative advertising with the Commission.

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>01/01/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/98</u>
Buildings	\$367,132	\$ -	\$ -	\$367,132
Equipment	204,431	18,489	-	222,920
Improvements	<u>35,712</u>	<u>-</u>	<u>-</u>	<u>35,712</u>
	<u>\$607,275</u>	<u>\$18,489</u>	<u>\$ -</u>	<u>\$625,764</u>

(6) Changes in Long-Term Liabilities

During the year ended December 31, 1998, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>01/01/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/98</u>
Compensated absences	\$1,069	\$50	\$ -	\$1,119

(7) Retirement Commitments

All employees are members of at least one of the following retirement systems:

- Federal Social Security System
- American Chamber of Commerce
Executives-Multivestor Retirement Plan

Pertinent information relative to each plan follows:

A. Federal Social Security System

All employees of the Commission are members of the Federal Social Security System. The Commission and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Commission; 7.65% by the employee).

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The Commission's contribution during the year ended December 31, 1998 amounted to \$26,342.

B. American Chamber of Commerce Executives-Multivestor Retirement Plan

Summary of benefits -

Any employee at least 21 years of age, having completed 1 year of service and having worked at least 1,000 hours a year may participate in the Plan. The total payroll for employees of the Commission covered by the plan for the year ended December 31, 1998 was \$285,074 which is 78 percent of the Commission's total payroll of \$365,736.

Normal retirement date is the first day of the month in which an employee reaches age 65, or the date he completes 10 years of plan participation, if later. Also, a member may choose early retirement if he is at least 55 years of age and has had 10 years of service. The amount of a member's retirement income will be determined by the value of their account at retirement. The full value of the account will be used to purchase an annuity or to make an installment settlement. The plan also provides death and disability benefits.

Contributions -

Contributions to the plan include an amount paid by the employer, equal to 8 percent of each participant's salary each year. No participant shall be required to make mandatory contributions. A participant may elect to make a voluntary contribution of a percentage (from 1 percent to 10 percent) of their basic annual salary. The total of the employer's contribution and a participant's contribution may not exceed 25 percent of that participant's salary. Upon employee termination, all contributions that have not vested are refunded. The Commission's contribution during the year ended December 31, 1998 amounted to \$23,733.

(8) Leasing Arrangements

The Commission leases two automobiles under operating lease agreements. The following is a schedule of minimum future rentals for operating leases as of December 31, 1998:

<u>Year Ended December 31,</u>	<u>Total</u>
1999	\$11,688
2000	11,688
2001	<u>1,948</u>
Total	\$25,324 =====

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Risk Management

The Commission is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year.

(10) Board of Commissioners' Compensation

No per diem or other compensation was paid to commissioners of the Lafayette Parish Convention and Visitors Commission for the year ended December 31, 1998.

(11) Changes in Agency Fund Balances

Changes in agency fund balance due to others are as follows:

	<u>Jean Lafitte Fund</u>	<u>Real French Fund</u>	<u>Visitor Enterprise Fund</u>	<u>Total</u>
Balances, December 31, 1997	\$ 29,621	\$ -	\$ -	\$ 29,621
Additions:				
Grant revenue	104,413	16,005	120,635	241,053
Interest	605	-	-	605
Reductions:				
Architect and consulting fees	(130,553)	(15,685)	-	(146,238)
Subgrant awards	-	-	(68,050)	(68,050)
Bank charges	-	(9)	-	(9)
Miscellaneous	<u>(3,760)</u>	<u>-</u>	<u>-</u>	<u>(3,760)</u>
Balances, December 31, 1998	<u>\$ 326</u>	<u>\$ 311</u>	<u>\$ 52,585</u>	<u>\$ 53,222</u>

SUPPLEMENTAL INFORMATION

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Commission's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The Commission is utilizing external resources to identify and test the systems for Year 2000 compliance. To date, a preliminary assessment of the impact of this issue has not been completed. Consequently, management has not assessed the Year 2000 compliance expense and related potential effect on the Commission's earnings.

SCHEDULE OF INDIVIDUAL FUND AND ACCOUNT GROUPS

GENERAL FUND

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

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Comparative Balance Sheets
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and investments	\$ 168,382	\$177,913
Taxes receivable	79,657	86,171
Accounts receivable	9,263	10,133
Prepaid items	50,338	49,139
Lease deposit	<u>350</u>	<u>350</u>
Total assets	<u>\$ 307,990</u>	<u>\$323,706</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 32,043	\$ 38,088
Payroll deductions payable	<u>151</u>	<u>183</u>
Total liabilities	<u>32,194</u>	<u>38,271</u>
Fund balances:		
Reserved for special projects	6,332	332
Reserved for prepaid items	50,338	49,139
Unreserved, undesignated	<u>219,126</u>	<u>235,964</u>
Total fund balances	<u>275,796</u>	<u>285,435</u>
Total liabilities and fund balances	<u>\$ 307,990</u>	<u>\$323,706</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Comparative Statements of Revenues
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Taxes:		
Hotel and motel tax	<u>\$1,218,087</u>	<u>\$1,132,292</u>
Fees and services:		
Memberships	<u>35,422</u>	<u>38,057</u>
Miscellaneous:		
Co-op programs	38,782	28,283
Interest	13,071	13,943
Other sources	<u>64,327</u>	<u>20,318</u>
	<u>116,180</u>	<u>62,544</u>
Total revenues	<u><u>\$1,369,689</u></u>	<u><u>\$1,232,893</u></u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Comparative Statements of Expenditures
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Current:		
Culture and recreation:		
Personnel -		
Salaries	\$365,736	\$332,126
Payroll taxes	28,374	26,008
Hospitalization	34,896	28,192
Retirement	23,733	23,222
Total personnel	<u>452,739</u>	<u>409,548</u>
Administrative and public affairs -		
Collection - hotel and motel tax	5,876	5,178
Insurance and bonding	21,740	17,472
Telephone and telegraph	23,842	17,850
Utilities and sanitation service	12,440	10,691
Janitorial service	6,957	6,189
Equipment rental	3,248	858
Office supplies and equipment	28,472	28,811
Postage	52,491	65,828
Auto lease	8,389	8,517
Auto gas and oil	65	258
Accounting	8,908	9,735
Legal and administrative advertising	858	1,182
Professional membership	4,844	7,603
Uniforms	150	752
Staff education	1,347	900
Total administrative and public affairs	<u>179,627</u>	<u>181,824</u>
Tourism program -		
Magazine and newspaper advertising	126,546	101,064
Outdoor advertising	33,039	17,121
Printed literature	56,506	61,368
Special promotional aids	14,754	6,956
News release and photography	390	397
Promotional - events, tours, shows	29,979	30,438
Services for visitors	19,113	4,101
Travel by staff	19,328	17,903
Entertainment by staff	376	435

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Comparative Statements of Expenditures (Continued)
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Auto gas and oil	\$ 756	\$ 670
Staff education	804	800
Professional memberships	2,091	2,618
Co-op programs	-	11,264
SATW programming	<u>45,789</u>	<u>-</u>
Total tourism program	<u>349,471</u>	<u>255,135</u>
 Convention program -		
Magazine and newspaper advertising	58,157	64,070
Outdoor advertising	12,260	12,028
Printed literature	34,331	48,222
Specialty promotional aids	16,335	11,794
Promotional - events, tours, shows	22,294	12,994
Services for conventions and meetings	2,625	2,815
Travel by staff	23,031	21,486
Entertainment by staff and commissioner	297	204
Auto lease	6,279	5,604
Auto gas and oil	-	271
Professional memberships	1,685	1,173
Staff education	850	825
Co-op programs	<u>200</u>	<u>5,407</u>
Total convention program	<u>178,344</u>	<u>186,893</u>
 Membership program -		
Entertainment by staff	73	-
Travel by staff	218	623
Staff education	150	-
Printed literature	1,023	1,116
Professional memberships	<u>555</u>	<u>105</u>
Total membership program	<u>2,019</u>	<u>1,844</u>
 Winter visitor marketing program -		
Magazine and newspaper advertising	31,967	24,556
Printed literature	7,653	9,970
Promotional - events, tours, shows	3,353	3,155
Telephone and telegraph	1,734	2,290
Travel by staff	<u>3,973</u>	<u>1,625</u>
Total winter visitor marketing program	<u>48,680</u>	<u>41,596</u>

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Comparative Statements of Expenditures (Continued)
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Film commission program -		
Printed literature	\$ 1,900	\$ 1,410
Promotional - events, tours, shows	1,779	6,450
Travel by staff	-	83
Total film commission program	<u>3,679</u>	<u>7,943</u>
Sports events -		
Printed literature	6,121	1,450
Promotional - events, tours, shows	4,178	551
Total sports events	<u>10,299</u>	<u>2,001</u>
Gateway -		
Contributions to Gateway project	<u>35,000</u>	<u>7,000</u>
Festival promotion program -		
Printed literature	20,666	9,713
Promotional - events, tours, shows	5,700	372
Specialty promotional items	3,000	3,000
Total festival promotion program	<u>29,366</u>	<u>13,085</u>
Local awareness -		
Printed literature	660	1,997
Promotional - events, tours, shows	2,251	3,194
Travel by commissioners	200	-
Total local awareness program	<u>3,111</u>	<u>5,191</u>
Special projects -		
Advertising & promotional items	<u>39,000</u>	<u>29,652</u>

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana
General Fund

Comparative Statements of Expenditures (Continued)
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Unplanned events -		
Office repairs & maintenance	<u>\$ 29,243</u>	<u>\$ 31,744</u>
Total culture and recreation	<u>1,360,578</u>	<u>1,173,456</u>
Capital outlay -		
Equipment	<u>18,750</u>	<u>46,936</u>
Total expenditures	<u><u>\$1,379,328</u></u>	<u><u>\$1,220,392</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is to account for fixed assets purchased in governmental type funds.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Comparative Statements of General Fixed Assets
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General fixed assets, at cost:		
Building	\$367,132	\$367,132
Equipment	222,920	204,431
Improvements	<u>35,712</u>	<u>35,712</u>
 Total general fixed assets	<u>\$625,764</u>	<u>\$607,275</u>
 Investment in general fixed assets	<u>\$625,764</u>	<u>\$607,275</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of Changes in General Fixed Assets
Year Ended December 31, 1998

	<u>Building</u>	<u>Equipment</u>	<u>Improvements</u>	<u>Total</u>
General fixed assets, beginning of year	\$ 367,132	\$ 204,431	\$ 35,712	\$ 607,275
Additions:				
General Fund revenues	<u>-</u>	<u>18,489</u>	<u>-</u>	<u>18,489</u>
Total balances and additions	367,132	222,920	35,712	625,764
Deletions:				
Assets traded or disposed of	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General fixed assets, end of year	<u>\$ 367,132</u>	<u>\$ 222,920</u>	<u>\$ 35,712</u>	<u>\$ 625,764</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is to account for accrued compensated absences expected to be financed from governmental type funds.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Statement of General Long-Term Debt
December 31, 1998

Accrued Compensated
Absences

AMOUNT AVAILABLE AND TO BE PROVIDED
FOR PAYMENT OF LONG-TERM DEBT

Amount to be provided from:
Excess annual revenues

\$1,119
=====

GENERAL LONG-TERM DEBT PAYABLE

Accrued compensated absences

\$1,119
=====

INTERNAL CONTROL AND COMPLIANCE

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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 President and Members of
the Board of Commissioners
Lafayette Parish Convention
and Visitors Commission
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Parish Convention & Visitors Commission as of and for the year ended December 31, 1998, and have issued our report thereon dated April 26, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lafayette Parish Convention and Visitors Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no items of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Lafayette Parish Convention and Visitors Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Lafayette Parish Convention and Visitors Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition noted is described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 98-1.

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 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. Our 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, we believe the reportable condition identified as item 98-1 in the schedule of prior and current audit findings and management's corrective action plan is a material weakness.

This report is intended for the information of the Board of Commissioners. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
April 26, 1999

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended December 31, 1998

I. Prior Year Findings:

Compliance

97-1 - Noncompliance with Louisiana Public Bid Law

Finding:

The Commission did not comply with Louisiana Revised Statutes (LSA-R.S.) 38:2212. This statute requires that purchases in excess of \$15,000 be advertised and let to the lowest responsible bidder. The Commission did not advertise for bids for computer equipment and upgrades totaling approximately \$23,000.

Status:

Resolved. There were no instances of noncompliance noted.

Internal Control over Financial Reporting

97-2 - Inadequate Segregation of Accounting Duties

Finding:

Due to the small number of employees, the Commission did not have adequate segregation of functions within the accounting system.

Status:

Unresolved; See Item 98-1.

Management Letter Items

There were no management letter items at December 31, 1997.

II. Current Year Findings and Management's Corrective Action Plan:

Compliance

There were no findings to be reported under the above section.

Internal Control over Financial Reporting

98-1 - Inadequate Segregation of Accounting Duties

Finding:

Due to the small number of employees, the Commission did not have adequate segregation of functions within the accounting system.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION
Lafayette, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended December 31, 1998

Management's Corrective Action Plan:

Management has determined that it is not feasible to achieve adequate segregation of functions within the accounting system. No action is considered necessary.

Management Letter Items

There were no management letter items at December 31, 1998.