

RECEIVED
LEGISLATIVE AUDITOR
99 JUN 21 AM 11:10

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK IN FILE)

Houma-Terrebonne Tourist Commission

General Purpose Financial Statements
and Independent Auditor's Report
December 31, 1998

Under the provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor 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 30 1999**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 1998

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements -	
Combined Balance Sheet - All Fund Types and Account Group	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund	4
Notes to Financial Statements	5-13
Supplemental Information	
Schedule of Expenditures - General Fund	14
Schedule of Findings and Questioned Costs	15-16
Special Reports of Certified Public Accountants	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	17-18
Independent Auditor's Comments on Audit Resolution Matters Relating to Prior Audit Comments and Findings	19
Management Corrective Action Plan	

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70361

*Certified Public Accountants
(A Professional Corporation)*

Ph. (504) 851-3638
Fax (504) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Houma-Terrebonne Tourist Commission (the Commission), a component unit of the Terrebonne Parish Consolidated Government, 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 *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 to above present fairly, in all material respects, the financial position of the Houma-Terrebonne Tourist 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 our report dated April 19, 1999, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

To the Board of Commissioners
Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information Schedule of Expenditures - General Fund on page 14 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Houma-Terrebonne Tourist Commission. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.



April 19, 1999

FINANCIAL STATEMENTS SECTION

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Combined Balance Sheet-
All Fund Types and Account Group

December 31, 1998

	Governmental Fund Type General Fund	Account Group General Fixed Assets	Total (Memorandum Only)
ASSETS			
Cash	\$ 777,727		\$ 777,727
Certificates of deposit	21,078		21,078
Taxes receivable	26,011		26,011
Due from Terrebonne Parish Consolidated Government	22,402		22,402
Prepaid insurance	206		206
Fixed assets		\$ 76,802	76,802
Accumulated depreciation		(39,936)	(39,936)
Security deposits	75		75
	\$ 847,499	\$ 36,866	\$ 884,365
LIABILITIES			
Accounts payable and accrued expenses	\$ 4,008		\$ 4,008
Due to Terrebonne Parish Consolidated Government	9,000		9,000
	13,008		13,008
FUND EQUITY			
Investment in general fixed assets		\$ 36,866	36,866
Fund balance - unreserved	834,491		834,491
	834,491	36,866	871,357
	\$ 847,499	\$ 36,866	\$ 884,365

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Statement of Revenues, Expenditures,
and Changes in Fund Balance-
Budget and Actual-Governmental Fund Type-
General Fund

For the Year Ended December 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes:			
Parish	\$ 319,724	\$ 317,910	\$ (1,841)
State	350,145	323,389	(26,756)
Miscellaneous:			
Interest earned	21,000	24,511	3,511
Other	-	393	393
	690,869	666,203	(24,693)
 EXPENDITURES			
Economic development and assistance:			
Personal services	138,000	119,559	18,441
Supplies and materials	18,000	10,370	7,630
Other services and charges	153,524	108,386	45,138
Repairs and maintenance	-	5,008	(5,008)
Capital expenditures	36,200	26,758	9,442
	345,724	270,081	75,643
 EXCESS OF REVENUES OVER EXPENDITURES	 \$ 345,145	 396,122	 \$ 50,977
 FUND BALANCE			
Beginning of year		438,369	
End of year		\$ 834,491	

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Houma-Terrebonne Tourist Commission (the Commission) was created and established by Terrebonne Parish Police Jury Ordinance No. 1977 on May 3, 1977, authorized by Act 19 of the Louisiana Legislature of 1975 (R.S. 33-4574-3574,3). The Commission was formed for the purpose of promoting tourism within the Parish of Terrebonne. The Commission is composed of nine members, known as directors, who are authorized to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within its jurisdiction. The Commission may also sue and be sued, accept grants or donations of every type, and make capital improvements for the purpose of obtaining federal funds. However, the Commission may not exercise any function that results in competition with local retail businesses or enterprises. The Commission is funded by a 3% tax on the occupancy of hotel rooms, motel rooms, and overnight camping facilities located within the boundaries of Terrebonne Parish and taxes collected by the state on the commission's behalf.

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. The following is a summary of significant accounting policies:

A. 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. Financial accountability by the consolidated government is determined on the basis of the following criteria:

1. Appointment of voting majority of governing board
2. Imposition of will
3. Financial benefit or burden
4. Fiscal dependence
5. Designation of management

Because the consolidated government appoints the governing board and can impose its will, the Houma-Terrebonne Tourist Commission was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

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

A. REPORTING ENTITY (Cont.)

accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Commission has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

B. FUND ACCOUNTING

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

Governmental Funds are those through which governmental functions of the Commission are financed. The acquisition, use and balances of the Commission's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Commission:

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

C. 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.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

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

C. BASIS OF ACCOUNTING (Cont.)

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Hotel/motel sales and use taxes are recorded as revenues in the month due. Parish tax revenues are collected by the Terrebonne Parish Sales and Use Tax Department, remitted to the Terrebonne Parish Consolidated Government, and subsequently sent to the Commission. December taxes were remitted to the Terrebonne Parish Sales and Use Tax Department in January and paid to the Commission in February. The state tax revenues are collected by the Treasurer of the State of Louisiana and remitted to the Commission on a quarterly basis. Miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

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

D. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the Commission's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended, or obligated through contracts, lapse at year end. The budget was amended once during the year.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

E. BAD DEBTS

The financial statements of the Commission contain no allowance for bad debts. Uncollectible amounts due for taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

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

E. BAD DEBTS (Cont.)

material in relation to the financial position or operation of the Commission.

F. CASH AND CASH EQUIVALENTS

The Commission considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

G. INVESTMENTS

Investments are stated at cost, which approximates market.

H. GENERAL FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the *General Fixed Asset Account Group*, rather than in governmental funds. The Account Group is not a fund. It is concerned only with measurement of financial position.

Depreciation of all fixed assets is computed on the straight-line basis. Estimated useful lives of property and equipment are as follows:

Office equipment	5 years
Automobile	5 years

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

I. COMPENSATED ABSENCES

Full-time employees may accrue up to thirty days of vacation time, which begins to accrue after one month of employment. No employee is eligible for any vacation time before the end of his or her first year of employment. Accumulated vacation is due to

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

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

I. COMPENSATED ABSENCES (Cont.)

the employee at the time of termination or death. Each full time employee receives ten days of sick leave per year; however, sick leave does not accumulate or vest. Full-time employees may be granted maternity leave of two weeks with pay and two weeks on half-pay provided such request is submitted in writing to the Executive Director.

The amount of accumulated vacation benefits was not significant at December 31, 1998.

J. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Commission.

K. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Commission primarily relate to fixed assets' useful lives.

L. MEMORANDUM ONLY - TOTAL COLUMNS

The total column on the combined financial statements is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column do not present financial position or results of operations, in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

NOTE 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The Commission's deposits are categorized to give an indication of the level of risk assumed at December 31, 1998. The categories are as follows:

- Category 1 - Insured or collateralized with securities held by the Commission or by its agent in the Commission's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Commission's name.
- Category 3 - Uncollateralized

Deposits, categorized by level of risk, are:

	Bank Balance	Category		
	1	2	3	
Cash and cash equivalents	\$ 784,850	\$ 198,314	\$ 586,536	\$ -

At various times during the year, the Commission had deposits in excess of FDIC insurance limits and pledged securities. Insufficient securities were pledged by the Commission's fiscal agent to collateralize these deposits and, as such, the Commission's deposits were under-collateralized.

Under state law, the Commission may invest in United States bonds, treasury notes, or certificates. At December 31, 1998, the Commission holds investments consisting of certificates of deposit.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

The Commission's investments are categorized to give an indication of the level of risk assumed by the Commission at December 31, 1998. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the Commission or its agent in the Commission's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Commission's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the Commission's name.

Investments, categorized by level of risk, are:

	Category			Fair Value	Cost
	1	2	3		
Certificates of Deposit	\$ 21,078	\$ -	\$ -	\$ 21,078	\$ 21,078

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deletions	Balance December 31, 1998
Automobile	\$ 15,885	\$ -	\$ -	\$ 15,885
Office furniture, fixtures, and equipment	34,158	5,992		40,150
Construction in Progress	-	20,767	-	20,767
	<u>50,043</u>	<u>26,759</u>	<u>-</u>	<u>76,802</u>
Less accumulated depreciation	<u>(34,446)</u>	<u>(5,490)</u>	<u>-</u>	<u>(39,936)</u>
Totals	<u>\$ 15,597</u>	<u>\$ 21,269</u>	<u>\$ -</u>	<u>\$ 36,866</u>

NOTE 4 - RENTAL COMMITMENT

The Commission entered into a lease agreement with the Houma-Terrebonne Chamber of Commerce commencing January 1, 1981 through December 31, 1990. The lease agreement called for advance monthly rental payments due on the first of each month in the amount of \$961. The lease agreement also contained an option that was elected by the Commission to prepay the discounted sum of \$ 67,000 for the entire ten-year lease period. The Commission amortized one tenth of the prepayment (\$6,700) annually as rental expense. *The lease was automatically renewed for an additional ten-year period since there was no written notice presented to the Commission regarding termination of the lease before expiration of the primary lease term.* There shall be no cash rental due, but all obligations of lessee shall continue as long as lessee occupies the leased premises.

**Houma-Terrebonne Tourist Commission
Terrebonne Parish Consolidated Government**

Notes to Financial Statements
As of and for the Year Ended December 31, 1998

NOTE 5 - COMPENSATION OF BOARD MEMBERS

As set forth in the Commission's by-laws, the Board serves without compensation.

NOTE 6 - CONTINGENCIES

The Commission is currently planning to construct a new office/tourist visiting center. This new building has an approximate cost of \$600,000. The Commission has estimated that the construction of the building could be completed by late 1999.

NOTE 7 – YEAR 2000 COMPLIANCE

The Commission maintains a manual accounting system which, consequently, will not be affected by the Year 2000 issue. Mission-critical equipment has been assessed and accounted for at a cost that is immaterial to the financial statements. A fully compliant computer network will be installed in the new office/tourist visiting center, and its cost is included as part of the approximate cost included in Note 6.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Commission is or will by Year 2000 ready, that the Commission's remediation efforts will be successful in whole or in part, or that parties with whom the Commission does business will be year 2000 ready.

NOTE 8 – NAME CHANGE

Subsequent to year-end, the Commission began the process of implementing a name change from the Houma-Terrebonne Tourist Commission to the Houma Area Convention and Visitors Bureau. As of the date of this report, a bill is pending in the Louisiana State Legislature regarding the name change.

SUPPLEMENTAL INFORMATION

Houma-Terrebonne Tourist Commission

Supplemental Information Schedule - Schedule of Expenditures - General Fund For the Year Ended December 31, 1998

ECONOMIC DEVELOPMENT AND ASSISTANCE

Personal Services

Salaries	\$ 100,842
Group insurance	10,646
Payroll taxes	8,071
	<hr/>
Total personal services	119,559

Supplies and Materials

Office supplies	5,487
Postage	4,883
	<hr/>
Total supplies and materials	10,370

Other Services and Charges

Advertising	39,404
Brochures	3,034
Seminars and conventions	13,864
Travel and entertainment	18,776
Professional fees	3,925
Telephone	10,088
Dues and subscriptions	4,867
General insurance	5,223
Automobile	3,136
Utilities	2,053
Miscellaneous	1,943
Equipment rental	1,839
Photography	234
	<hr/>
Total other services and charges	108,386

Repairs and Maintenance

5,008

Capital Expenditures

26,758

TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE

\$ 270,081

Houma-Terrebonne Tourist Commission

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998

FINDINGS

**QUESTIONED
COSTS**

98-1

Statement of Condition: An instance of noncompliance with state law related to the collateralization of bank deposits.

Criteria: State law requires deposits of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged in the name of the political subdivision. At various times during the year, the Commission had bank deposits in excess of acceptable collateralization.

Effect: The Commission is not in compliance with the state law related to the collateralization of bank deposits. A bank failure could result in the loss of the Commission's uncollateralized deposits.

Cause of Condition: The Commission has a bank account that had not previously required additional collateralization based on its average balance. However, during 1998, its average balance increased to a point in which additional collateralization was necessary, but the bank was never contacted.

Recommendation: The management of the Commission should contact this bank and have securities pledged in amounts sufficient to fully collateralize deposits. Also, regular monitoring of the adequacy of coverage should be instituted.

Response: The management of the Houma-Terrebonne Tourist Commission concurs with this finding.

Questioned Costs:

\$ -0-

Houma-Terrebonne Tourist Commission

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998

FINDINGS

**QUESTIONED
COSTS**

98-2

Statement of Condition: An instance of noncompliance with state law related to the publishing of minutes in the official journal.

Criteria: State law requires that minutes of all meetings be recorded and published in the governmental entity's official journal.

Effect: The Commission is not in compliance with the state law related to the publishing of minutes of its meetings.

Cause of Condition: It was noted that the minutes of a special meeting held February 11, 1998, were not recorded and consequently, not published in the official journal.

Recommendation: The Board of Directors should ensure that minutes of all public meetings are recorded and subsequently published in the official journal.

Response: The management of the Houma-Terrebonne Tourist Commission concurs with this finding.

Questioned Costs:

\$ -0-

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70361

*Certified Public Accountants
(A Professional Corporation)*

Ph. (504) 851-3638
Fax (504) 851-3951

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

To the Board of Commissioners
Houma-Terrebonne Tourist Commission
Houma, Louisiana

We have audited the general purpose financial statements of the Houma-Terrebonne Tourist Commission (the Commission), as of and for the year ended December 31, 1998, and have issued our report thereon dated April 19, 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 98-1 and 98-2.

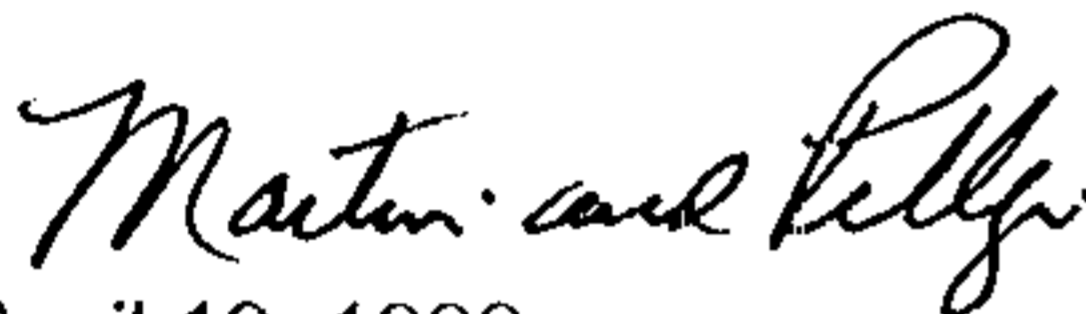
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 that might be material

To the Board of Commissioners
Houma-Terrebonne Tourist Commission
Houma, Louisiana

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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.


April 19, 1999

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70361

*Certified Public Accountants
(A Professional Corporation)*

Ph. (504) 851-3638
Fax (504) 851-3951

**INDEPENDENT AUDITOR'S COMMENTS ON AUDIT RESOLUTION
MATTERS RELATING TO PRIOR AUDIT COMMENTS AND FINDINGS**

97-1 – Collateralization of Bank Deposits

Condition: The independent auditor's report on compliance and internal control for the year ended December 31, 1997 included an instance of noncompliance related to the collateralization on bank deposits.

Recommendation: The recommendation to the Commission was that it should contact its fiscal agent and have securities pledged in amounts sufficient to fully collateralize deposits and that coverage should be monitored regularly.

Status: Based on the procedures performed in our audit of the Commission's financial statements for the year ended December 31, 1998, we conclude that the Commission still has deposits that exceed collateralization. This was due to the fact that an account that had never previously required collateralization above FDIC coverage due to its balance being less than \$100,000 attained a balance greater than that during the year. Management will contact this institution for additional collateralization or transfer the funds to a collateralized account.

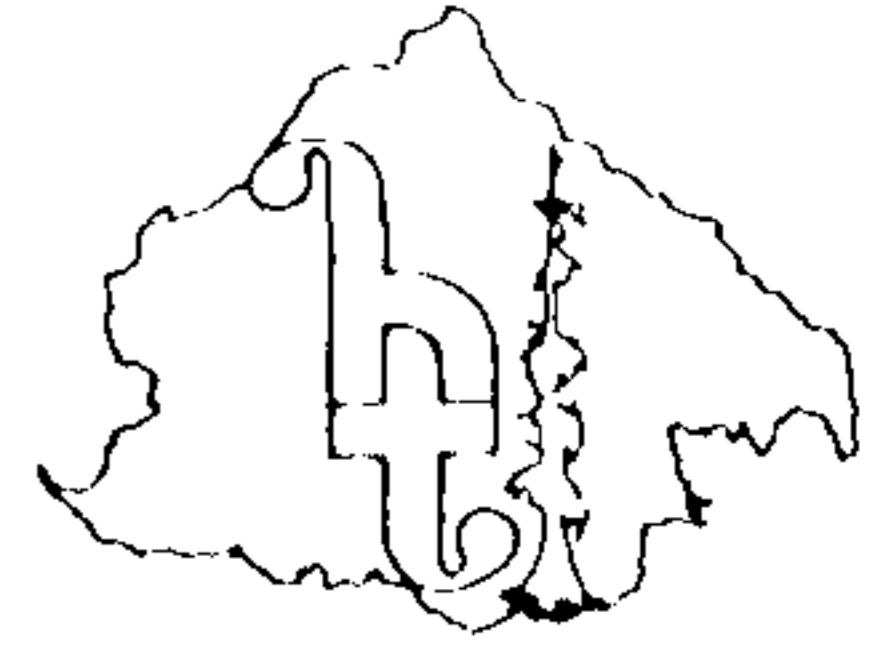


April 19, 1999

Houma-Terrebonne Tourist Commission

1702 South St. Charles St. Houma, LA 70360 P.O. Box 2792 Houma, LA 70361
(504) 868-2732 Fax (504) 868-7170 1-800-688-2732

Bayou Country



CORRECTIVE ACTION PLAN

April 19, 1999

Office of Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

The Houma-Terrebonne Tourist Commission respectfully submits the following corrective action plan for the year ended December 31, 1998.

Name and address of independent public accounting firm:

Martin and Pellegrin, CPA's (PC)
103 Ramey Road
Houma, Louisiana 70361

Audit Period: Year Ending December 31, 1998

A. Comments on Findings and Recommendations

Collateralization of Bank Deposits – As related to the finding concerning collateralization of bank, we concur with this finding. The Commission has an agreement with its depository institutions that deposits are to be fully collateralized at all times. However, one bank did not pledge sufficient securities to collateralize the money market account we have there.

Publishing of Board Minutes – As related to the finding concerning the minutes of the February 11, 1998 meeting not being published, we concur with this finding. While no financial business was conducted at this meeting, a quorum was met, and the meeting was a matter of public record.



B. Actions Taken

Collateralization of Bank Deposits – As recommended by the independent auditors, we have contacted this bank and have had sufficient securities pledged to collateralize our bank deposits. We will regularly review these pledged securities for adequacy.

Publishing of Board Minutes – As recommended by the independent auditors, in the future we shall publish the minutes of all matters of public record.

C. Status of Prior Findings

Collateralization of Bank Deposits – As noted in the 1997 Corrective Action Plan, the bank was contacted, and adequate securities were pledged to collateralize all deposits. However, during the year the balance of an account at a second bank grew to a point that exceeded collateralization. We have contacted this bank and have had sufficient securities pledged to collateralize our bank deposits. We will regularly review these pledged securities for adequacy.

If you have any questions, please do not hesitate to contact me.

Thank you for your help in this matter.

Sincerely,

Ms. Sharon Alford
Executive Director