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West Baton Rouge Tourist Commission

Port Allen, Louisiana

FINANCIAL STATEMENTS

For the 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 09 1999

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CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL CORPORATION)

INDEPENDENT AUDITOR'S REPORT

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

I have audited the general purpose financial statements of the West Baton Rouge Tourist Commission, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 1998, as listed in the foregoing table of contents. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly the financial position of the West Baton Rouge 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.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which I expressed an unqualified opinion on the component unit financial statements of the West Baton Rouge Tourist Commission for the year ended December 31, 1997.

The West Baton Rouge
Parish Tourist Commission

In accordance with Government Auditing Standards, I have also issued a report dated March 31, 1999 on my consideration of the West Baton Rouge Parish Tourist Commission's internal control over financial reporting, and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Certified Public Accountant
(A Professional Corporation)

March 31, 1999
Baton Rouge, Louisiana

West Baton Rouge Tourist Commission

Port Allen, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1998

ASSETS AND OTHER DEBITS

	<u>Governmental Funds</u>		<u>Account Groups</u>		<u>Totals</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only) 1998</u>	<u>1997</u>
<u>Assets and Other Debits</u>						
Cash - demand deposits	\$ 93,151	\$ 170,229	\$ -0-	\$ -0-	\$ 263,380	\$ 212,434
Cash - certificates of deposit	94,430	121,257	-0-	-0-	215,687	158,552
Hotel - Motel tax receivable	18,330	-0-	-0-	-0-	18,330	15,250
Fixed assets, land and building (See Note 3)	-0-	-0-	812,268	-0-	812,268	801,668
Amount to be provided for retirement of general long-term debt	-0-	-0-	-0-	118,569	118,569	195,766
Total Assets and Other Debits	\$ 205,911	\$ 291,486	\$ 812,268	\$ 118,569	\$ 1,428,234	\$ 1,383,670

LIABILITIES, EQUITY, AND OTHER CREDITS

<u>Liabilities</u>						
Accounts payable	\$ 18,536	\$ 7,019	\$ -0-	\$ -0-	\$ 25,555	\$ 26,685
General long-term debt (See Note 4)	-0-	-0-	-0-	118,569	118,569	195,765
Total Liabilities	18,536	7,019	-0-	118,569	144,124	222,451
<u>Equity and Other Credits</u>						
Investment in fixed assets	-0-	-0-	812,268	-0-	812,268	801,668
Fund balances - Undesignated	187,375	284,467	-0-	-0-	471,842	359,551
Total Equity and Other Credits	187,375	284,467	812,268	-0-	1,284,110	1,161,219
Total Liabilities, Equity, and Other Credits	\$ 205,911	\$ 291,486	\$ 812,268	\$ 118,569	\$ 1,428,234	\$ 1,383,670

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

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

ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
<u>Revenues</u>				
Hotel - Motel tax	\$218,116	\$ -0-	\$218,116	\$212,136
State sales tax rebate	-0-	175,591	175,591	214,833
Interest income	4,718	5,900	10,618	8,070
Miscellaneous	<u>2,861</u>	<u>-0-</u>	<u>2,861</u>	<u>2,107</u>
Total Revenues	<u>225,695</u>	<u>181,491</u>	<u>407,186</u>	<u>437,146</u>
<u>Expenditures</u>				
Current:				
Advertising and marketing	36,374	5,000	41,374	30,799
Contingencies	8,918	-0-	8,918	6,279
Strategic planning	-0-	11,636	11,636	-0-
Maintenance, repairs, and security	1,277	900	2,177	8,620
Supplies and postage	9,464	-0-	9,464	7,814
Audit and accounting fees	3,300	-0-	3,300	3,093
Insurance	2,687	-0-	2,687	2,642
Landscape project	-0-	4,156	4,156	-0-
Salaries, wages, and related expenses (See Note 5)	100,659	-0-	100,659	94,062
Utilities & telephone	10,045	-0-	10,045	9,133
Capital outlays	6,550	4,050	10,600	21,290
Debt Service:				
Principal retirement	-0-	77,197	77,197	71,726
Interest	<u>-0-</u>	<u>12,682</u>	<u>12,682</u>	<u>18,155</u>
Total Expenditures	<u>179,274</u>	<u>115,621</u>	<u>294,895</u>	<u>273,613</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-46,421</u>	<u>-65,870</u>	<u>112,291</u>	<u>163,533</u>

(CONTINUED)

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

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

ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
Excess (Deficiency) of Revenues over Expenditures from the Preceding Page	\$ <u>46,421</u>	\$ <u>65,870</u>	\$ <u>112,291</u>	\$ <u>163,533</u>
<u>Other Financing Sources</u> <u>(Uses)</u>				
Operating transfers in	-0-	-0-	-0-	-0-
Operating transfers out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	46,421	65,870	112,291	163,533
Fund Balances, Beginning	<u>140,954</u>	<u>218,597</u>	<u>359,551</u>	<u>196,018</u>
Fund Balances, Ending	<u>\$187,375</u>	<u>\$284,467</u>	<u>\$471,842</u>	<u>\$359,551</u>

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Hotel - Motel tax	\$ 200,000	\$ 218,116	\$ 18,116
Interest income	3,000	4,718	1,718
Miscellaneous	<u>2,500</u>	<u>2,861</u>	<u>361</u>
Total Revenues	<u>205,500</u>	<u>225,695</u>	<u>20,195</u>
<u>Expenditures</u>			
Current:			
Advertising, and marketing	31,500	36,374	(4,874)
Contingencies	6,000	8,918	(2,918)
Maintenance, repairs, and security	8,000	1,277	6,723
Supplies and postage	10,000	9,464	536
Audit and accounting fees	3,500	3,300	200
Insurance	3,000	2,687	313
Salaries, wages, and related expenses (See Note 5)	100,250	100,659	(409)
Utilities & telephone	10,500	10,045	455
Capital Outlays	<u>14,000</u>	<u>6,550</u>	<u>7,450</u>
Total Expenditures	<u>186,750</u>	<u>179,274</u>	<u>7,476</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,750</u>	<u>46,421</u>	<u>27,671</u>

(CONTINUED)

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

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

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues over Expenditures from the Preceding Page	\$ 18,750	\$ 46,421	\$ 27,671
<u>Other Financing Sources (Uses)</u> Operating transfers out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Use	18,750	46,421	\$ <u>27,671</u>
Fund Balance, January 1, 1998	<u>140,954</u>	<u>140,954</u>	
Fund Balance, December 31, 1998	\$ <u>159,704</u>	\$ <u>187,375</u>	

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

SPECIAL REVENUE FUND

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
State sales tax rebate	\$ 150,000	\$ 175,591	\$ 25,591
Interest income	3,500	5,900	2,400
Matching funds	<u>40,000</u>	<u>-0-</u>	<u>(40,000)</u>
Total Revenues	<u>193,500</u>	<u>181,491</u>	<u>(12,009)</u>
<u>Expenditures</u>			
Current:			
Advertising and marketing	5,000	5,000	-0-
Strategic planning	15,000	11,636	3,364
Maintenance, repairs, and security	1,500	900	600
Supplies and postage	500	-0-	500
Landscape Project	50,000	4,156	45,844
Capital Outlays	55,000	4,050	50,950
Debt Service:			
Principal retirement	70,000	77,197	(7,197)
Interest	<u>15,000</u>	<u>12,682</u>	<u>2,318</u>
Total Expenditures	<u>212,000</u>	<u>115,621</u>	<u>96,379</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(18,500)</u>	<u>-65,870</u>	<u>-84,370</u>

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

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

BUDGET (GAAP BASIS) AND ACTUAL

SPECIAL REVENUE FUND

For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues over Expenditures from the Preceding Page	\$ (18,500)	\$ 65,870	\$ 84,370
<u>Other Financing Sources (Uses)</u> Operating transfers out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Use	(18,500)	65,870	\$ <u>84,370</u>
Fund Balance, January 1, 1998	<u>218,597</u>	<u>218,597</u>	
Fund Balance, December 31, 1998	\$ <u>200,097</u>	\$ <u>284,467</u>	

See accompanying notes to financial statements.

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the West Baton Rouge Parish Tourist Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards. The more significant of the Tourist Commission's accounting policies are described below.

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

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

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

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

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

Governmental Funds:

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

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

Fixed Assets and Long-Term Liabilities:

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

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

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

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

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

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

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

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

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

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

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

1. The Tourist Commission coordinator and the executive director prepare a proposed budget and submit it to the treasurer. After examination by the treasurer, the budget is submitted to the Tourist Commission no later than 15 days prior to the beginning of the fiscal year. Once it is adopted by the Tourist Commission, the budget is submitted to the West Baton Rouge Parish Council for final approval.
2. Budgetary amendments involving the transfer of funds from one program or function to another requires the approval of the Tourist Commission.
3. All budgetary appropriations lapse at the end of each fiscal year.

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

Certificates of deposit shown on the balance sheet include five certificates. The certificates range in value from \$18,477 to \$52,261. Maturity dates of the certificates range from April 2, 1999 to December 1, 1999.

Cash and investments are carried at cost which approximates market value. The carrying value of cash and certificates on deposit with financial institutions on December 31, 1998 was \$479,067 all of which is interest bearing.

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

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

Cash and Investments - (Cont'd)

The bank balances of these deposits totaled \$482,373 on December 31, 1998. At December 31, 1998 the Commission's bank balances were secured by \$ 200,000 of FDIC insurance and \$500,000 of collateral held by the pledging financial institution's agent in the name of the pledging financial institution's and pledged to the Utility (GASB Category 3).

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

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

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

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

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

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

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

NOTE 2. REVENUE

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

(CONTINUED)

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

NOTE 2. REVENUE - Cont'd

State Sales Tax Rebate - Under the provisions of Louisiana Revised Statutes Section 47:332.12 the West Baton Rouge Parish Council is entitled to receive a portion of the state sales tax imposed on hotel occupancy within West Baton Rouge Parish. The money is to be used exclusively for the planning, development or capital improvements of tourism sites in West Baton Rouge Parish. The Parish Council has designated the West Baton Rouge Parish Tourist Commission to receive and expend these funds on behalf of the Parish Council. The proceeds from this source are accounted for in the Commission's Special Revenue Fund.

NOTE 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1998</u>	<u>Additions</u>	<u>Disposals</u>	Balance December 31, 1998
Land	\$ 468,947	\$ 4,050	\$ -0-	\$ 472,997
Building	258,298	-0-	-0-	258,298
Projection equip- ment and relief map	47,749	-0-	-0-	47,749
Office furniture and equipment	24,080	6,550	-0-	30,630
Uniforms	<u>2,594</u>	<u>-0-</u>	<u>-0-</u>	<u>2,594</u>
Total General Fixed Assets	\$ <u>801,668</u>	\$ <u>10,600</u>	\$ <u>-0-</u>	\$ <u>812,268</u>

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

NOTE 4. GENERAL LONG-TERM DEBT

During 1996 the Commission purchased a piece of real estate for \$361,307. The Commission paid \$87,447 in cash and issued a general long-term note payable for \$273,860 to finance the balance.

The following is a summary of Commission's general long-term debt transactions for the year ended December 31, 1998:

General long-term debt, January 1	\$ 195,766
Principal repaid	<u>77,197</u>
General long-term debt, December 31	\$ <u>118,569</u>

General long-term debt payable at December 31, 1998 consisted of the following:

\$273,860 Note Payable, dated June 20, 1996, due in monthly installments of \$3,323.40 through May 20, 2001 with the unpaid balance due June 20, 2001; 8% interest.	\$ <u>118,569</u>
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The annual requirements to amortize the general long-term debt payable as of December 31, 1998 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 31,535	\$ 8,346	\$ 39,881
2000	34,152	5,728	39,880
2001	<u>52,882</u>	<u>1,816</u>	<u>54,698</u>
Total	\$ <u>118,569</u>	\$ <u>15,890</u>	\$ <u>134,459</u>

West Baton Rouge Tourist Commission

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS - (Cont'd)

December 31, 1998

NOTE 5. SALARIES, WAGES AND RELATED EXPENSES

The West Baton Rouge Tourist Commission reimburses the West Baton Rouge Parish Council for all salaries, wages and related expenses. The personnel working for the Tourist Commission are considered to be employees of the Parish Council.

NOTE 6. PER DIEM PAYMENTS

There were no per diem payments made during 1998 to commission members.

NOTE 7. YEAR 2000 READINESS

The West Baton Rouge Parish Tourist Commission is currently addressing year 2000 issues. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00." Computer programs have to be adjusted to recognize the difference between those two years or the program will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment such as environmental systems and vehicles containing computer chips that have date recognition features.

In assessing the year 2000 issue, the Tourist Commission has determined that it owns no equipment that is not year 2000 compliant that would have a material affect on its operations. The Tourist Commission is in the process of contacting its vendors to determine their year 2000 readiness

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CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT

(A PROFESSIONAL CORPORATION)

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

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

I have audited the financial statements of West Baton Rouge Parish Tourist Commission, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 1998, and have issued my report thereon dated March 31, 1999. I have 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 West Baton Rouge Parish Tourist Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed 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 West Baton Rouge Parish Tourist Commission's, a component unit of the West Baton Rouge Parish Council, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely

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

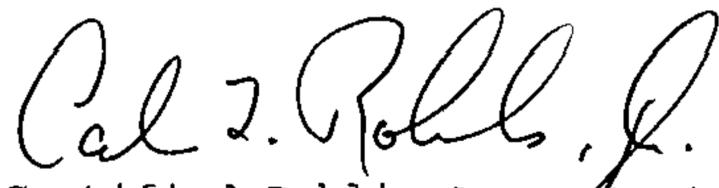
An important element in designing an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of responsibilities. No one person should be assigned duties that would allow that person to commit an error or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

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

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

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

This report is intended for the information of management and members of the West Baton Rouge Parish Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Certified Public Accountant
(A Professional Corporation)

March 31, 1999
Baton Rouge, Louisiana