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**St. Mary Parish Tourist Commission**  
**State Of Louisiana**  
**Annual Financial Report**  
**For The Year Ended**  
**September 30, 1993**

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

Release Date 4-28-04

*St. Mary Parish Tourist Commission*  
*State of Louisiana*  
*Annual Financial Report*  
*For the Year Ended September 30, 2001*

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*Required Supplemental Information ( Part I)*

**ST. MARY PARISH TOURIST COMMISSION**  
**STATE OF LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the year ended September 30, 2003*

As management of the St. Mary Parish Tourist Commission, State of Louisiana ("Commission"), we provide readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission, for the fiscal year ended September 30, 2003. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

This is the first year that the Commission has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement Number 34. Because this new reporting model changes significantly not only the presentation of financial data, but also the manner in which the information is recorded, prior year comparative information for this reporting period's MD&A has not been included. In future years, a comparative analysis of government-wide data will be presented. In preparing the information summarized below, we have tried to keep in mind the disadvantage created by not presenting comparative information by expanding on the narrative with our opinion of the changes from one year to the next.

### **FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The Commission has \$1,217,300 in net assets as of year-end.
- Total net assets are comprised of the following:
  - Invested in capital assets of \$311,531 that included property and equipment, net of accumulated depreciation. There is no related debt.
  - Net assets of \$737,742 restricted for Special Revenue Fund restrictions
  - Unrestricted net assets of \$168,027 that represent the portion available to maintain continuing obligations to citizens and creditors.
- Net assets of our governmental activities increased by \$214,853 or 21.43%.
- Revenues of our governmental activities totaled approximately \$578,000, an increase of 18% from the prior year, while expenditures totaled approximately \$365,000 an increase of 8.4% from the prior year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's basic financial statements consist of the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

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4. Required supplementary information, and
5. Other supplementary information, which is in addition to the basic financial statements themselves.

### **1. Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers a concise "entity-wide" Statement of Net Assets and Statement of Activities. These statements include all assets and liabilities using the accrual basis of accounting in a manner similar to a private-sector business.

- A. The statement of net assets, beginning on page eleven (11), presents information on all of the Commission's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or weakening.
- B. The statement of activities, beginning on page twelve (12), presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

### **2. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and by local governments. The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission consist of one category: governmental funds.

- A. Governmental funds are used to account for most of the Commission's basic services as reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures

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cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs.

- B. The Commission maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Special Revenue Fund. The basic governmental fund financial statements can be found on pages thirteen (13) and fourteen (14).
- C. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The reconciliations are located on pages thirteen (13) and fifteen (15).

Our auditor has provided assurance in the independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information and the Other Supplemental Schedules is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS AS A WHOLE**

Net assets may serve over time as a useful indicator of a government's financial position. The District assets exceeded its liabilities at the close of the year by \$1,217,500 (net assets). Of this amount, \$168,007 is unrestricted net assets. This represents 13.8% of net assets and is resources that are available to be used to meet the Commission's ongoing obligation to citizens and creditors. The Commission's unrestricted net assets decreased by approximately \$12,000 during the year, largely from an increase in salaries and fringe benefits expenditures. A \$33,000 transfer from restricted assets minimized this decrease in unrestricted net assets compared to a \$99,000 transfer in the prior year-end.

The Commission has \$737,342 (net) in restricted net assets, which represents 60.6% of net assets. These resources are subject to external restrictions on how they may be used, i.e. state law governing the state hotel-motel tax appropriations received from the St. Mary Parish Visitor Enterprise Fund.

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The restricted net assets of the Commission increased by approximately \$239,000 largely as a result of the Commission's decision to accumulate resources for potential capital asset projects, which resulted in reduced levels of expenditures. These resources are restricted to fund the development of tourism and other economic growth projects within the parish of St. Mary.

The Commission's capital assets total \$311,251 net of depreciation. The Commission's investment in its capital assets has no debt related to the acquisition of capital assets.

The Commission has total liabilities of \$20,741. The Commission has no outstanding bonds payable.

The governmental activities of the Commission include promotion of tourism in St. Mary Parish, i.e. maintain and staff two information centers, attend tour group promotion functions and meetings, prepare and distribute informational brochures, etc., and many other efforts to promote tourism and events within the parish. Hotel-motel taxes fund most of these governmental activities. The following tables give an indication of how the Commission's resources are utilized and the source of the resources.

This table shows the Commission's expenditures related to the functions/programs associated with its governmental activities.

**Expenditure by Function/Program**

	AMOUNT	PERCENTAGE
Tourism, advertise and promotion	\$ 365,032	100.00%
<b>Total Governmental Activities</b>	<b>\$ 365,032</b>	<b>100.00%</b>

General revenues are those available for the Commission to use to pay for the governmental activities described above. The following table shows the source of the Commission's revenues.

**Source of Revenues**

	AMOUNT	PERCENTAGE
Hotel-motel sales tax	\$ 268,438	48.46%
Intergovernmental revenue	302,348	52.24%
Investment earnings	1,506	1.30%
<b>Total General Revenues</b>	<b>\$ 572,292</b>	<b>101.00%</b>

As seen above, hotel-motel tax revenue and the intergovernmental revenue (an appropriation from the state collected hotel-motel sales tax) is the largest revenue source for the Commission comprising 98.7% of general revenues. These two revenue sources increased approximately \$89,000 over prior year receipts.

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**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

As previously stated, the Commission maintains two governmental funds, the General Fund and the Special Revenue Fund. The Commission's governmental funds reported combined ending fund balances of \$905,349 as of the end of the current fiscal year. This is an increase of approximately \$237,000 from the prior year-end. Increases in the combined fund balances result largely from an increase in hotel-motel tax revenues, increased intergovernmental revenues received and unspent restricted resources in the Special Revenue Fund.

The General Fund unreserved fund balance is \$168,003, a decrease of \$12,017 from the prior year, the result of receiving approximately \$45,000 less in transfers from the Special Revenue Fund. The General Fund experienced approximately a 9% increase in both the hotel-motel taxes received and the expenditures for tourism promotion. The increases of approximately \$28,000 in hotel-motel tax revenues indicate a modest increase in hotel-motel occupancy within the parish. The financial resources in this fund are available to carryout the current operations and programs of the Commission.

The reserved fund balance in the Special Revenue Fund totaled \$337,742 at year-end, an increase of approximately \$210,000 resulting from an increase in intergovernmental revenues received and unspent restricted resources received. The Commission has two potential capital asset projects under consideration for which resources are being accumulated to possibly fund. Resources in this fund are reserved for development of tourism and other economic growth projects in the parish.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Commission adopts an annual budget for its General Fund and this budget was amended prior to September 30, 2003. The amendment was to reflect increased hotel-motel tax revenue received, adjust transfers-in to estimated cash flow requirements and adjust expenditure categories for actual expenditures incurred to date. A budget comparison schedule has been included for the General Fund on page twenty-seven (27) to demonstrate compliance with the legally adopted budget.



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Differences between the original and final amended budgets for revenues resulted in a 38.3% increase (\$62,000 approximately) in revenue. Actual revenue results for the year resulted in a less than 1% (\$800) favorable variance from the final budgeted amounts.

Differences between the original and final amended budgets for expenditures resulted in a 4.7% decrease (\$14,500 approximately) in expenditures. Actual expenditure results for the year resulted in a 2.5% (\$8,294) unfavorable variance from the final budgeted amounts.

Differences between the original and final amended budgets for other financing sources resulted in a 45.2% decrease (\$47,000 approximately) in resources received from the Special Revenue Fund. Actual resources received for the year resulted in an 8% (\$4,583) unfavorable variance from the final budgeted amounts.

An analysis of significant budget variances in the General Fund is as follows:

1. **Revenues:**

- There was an increase in the hotel-motel tax collections within the boundaries of the Commission, which is dedicated to promotion of tourism in the parish. If the increased hotel-motel tax collection levels were maintained, it would have a favorable impact on future General Fund budgets.
- Transfers-in from the Special Revenue Fund to meet the expenditure requirements of the General Fund did not meet the original anticipated amounts, largely due to the increased hotel-motel tax revenue received in the General Fund.

2. **Expenditures:**

- + Expenditures for tourism—advertising and promotion and travel and conventions exceeded budgeted amounts because of increased costs incurred for participation in advertising and event promotions, as well as convention participation as approved by the Board. These increases seen in expenditures for tourism promotion could impact future budgets, if the participation levels are maintained and approved by the Board.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At September 30, 2003 the Commission had \$311,551 (net of depreciation) invested in capital assets as shown in the table below:

<b>Summary of Capital Assets</b>	
	<b>2003</b>
Buildings and improvements	\$ 250,279
Office furniture, fixtures, and equipment	51,455
Land and improvements	83,467
<b>Total Cost of Assets</b>	<b>385,201</b>
Accumulated Depreciation	<u>(73,650)</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 311,551</u></b>

This year there was \$1,628 of additions to capital assets. This year's major capital additions included:

- Building improvements \$ 1,628

Additional detailed information about capital assets is presented in Note 1-F and Note 4 to the financial statements.

**Long-term Debt**

The Tourist Commission did not have bonds outstanding at its September 30, 2003 year-end or at the September 30, 2002 year-end. At present the Commission has no plans to incur any long-term debt by issuing bonds.

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**CURRENTLY KNOWN FACTS, ECONOMIC FACTORS AND CONDITIONS**

The Board of Commissioners continues to observe all economic factors that affect the planning and execution of its tourism promotion efforts for the Parish of St. Mary. Historically, the majority of the Commission's revenue has been derived from hotel-motel tax collections. The trend of hotel-motel tax collections is monitored for significant changes that may affect the level of resources available to support the Commission's tourism promotion efforts. The Board of Commissioners has no current knowledge of any economic conditions that could have a significant adverse effect on its revenues or operating costs. The Commission has \$1,217,300 in net assets as of year-end, of which approximately \$825,000 is available in current assets. For the year ending September 30, 2003, the Commission's net assets increased by approximately \$214,800. The resources available in the Special Revenue Fund can be utilized to support the tourism promotional efforts carried out from the General Fund. The Board of Commissioners in preparing and adopting the General Fund and Special Revenue Fund budgets for fiscal year end September 30, 2004 considered these factors.

The 2004 General Fund budget anticipates approximately \$350,000 in expenditures with approximately \$273,000 in revenues. Resources to fund the shortfall will be utilized from unrestricted net assets and transfers from the Special Revenue Fund.

The 2004 Special Revenue Fund budget anticipates approximately \$177,000 in promotional expenditure projects with anticipated revenues of approximately \$225,000. The budgeted expenditures of \$177,000 represents approximately a \$108,000 increase over 2003 tourism promotional efforts.

If these current economic factors and conditions remain consistent, the net asset balance of the Commission is expected to increase modestly by the close of 2004.

**CONTACTING MANAGEMENT**

This Annual Financial Report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of St. Mary Parish Tourist Commission's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the St. Mary Parish Tourist Commission at P.O. Box 2332, Morgan City, LA 70381, phone number 1-888-395-4905.

## *Financial Section*

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**MEMBER**  
ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTS

STATE OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

BOB JOHNSON, LEBLANC, CPA  
THOMAS G. CARPENTER, CPA

To the Board of Commissioners  
St. Mary Parish Tourist Commission  
State of Louisiana  
Peterson, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the St. Mary Parish Tourist Commission, a component unit of the Parish of St. Mary, State of Louisiana, as of and for the year ended September 30, 2003, as listed in the financial section of the table of contents. These basic financial statements are the responsibility of the St. Mary Parish Tourist Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the St. Mary Parish Tourist Commission as of September 30, 2003, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the St. Mary Parish Tourist Commission, has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussions and Analysis – for State and Local Governments, as of September 30, 2003.

To the Board of Commissioners  
St. Mary Parish Tourist Commission  
Patterson, Louisiana  
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The Management's Discussion and Analysis and the other required supplemental information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 12, 2004, on our consideration of St. Mary Parish Tourist Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*LeBlanc and Carpenter*

Morgan City, Louisiana  
March 12, 2004

St. Mary Parish Tourist Commission  
Statement of Net Assets  
September 30, 2003

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 117,763
Investments	679,394
Due from other govt. units:	
Held/billed taxes	134,231
Prepaid expenses	<u>1,152</u>
Total current assets	932,490
Noncurrent assets:	
Capital assets, net of depreciation	<u>311,531</u>
Total assets	<u>\$ 1,244,021</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 17,647
Payroll taxes	<u>3,094</u>
Total current liabilities	<u>20,741</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	311,531
Restricted for:	
Special revenue fund restrictions	737,742
Unrestricted	<u>198,087</u>
Total net assets	<u>\$ 1,247,360</u>

See notes to the financial statements.

St. Mary Parish Tourist Commission  
 Statement of Activities  
 For The Year Ended September 30, 2003

**Governmental Activities - Tourism**

<i>General government expenses:</i>	
Tourism, advertising and promotion	\$ 125,743
Salaries and benefits	144,077
Operating costs	71,548
Depreciation	<u>13,254</u>
<b>Total governmental activities</b>	<u>354,622</u>
<i>General revenues:</i>	
Hotel-Motel tax	369,420
<i>Intergovernmental revenues:</i>	
St. Mary Parish Visitor Enterprise Fund	300,548
Interest income earned	<u>7,506</u>
<b>Total general revenues</b>	<u>677,474</u>
<b>Change in net assets</b>	<b>314,852</b>
<b>Net assets - beginning</b>	<u>1,800,448</u>
<b>Net assets - ending</b>	<b><u>\$ 1,217,308</u></b>

See notes to the financial statements.



St. Mary Parish Tourist Commission  
**Balance Sheet**  
**Governmental Funds**  
September 30, 2009

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 89,913	\$ 28,290	\$ 118,203
Investments	53,779	619,613	673,392
Due from other govt. units:			-
Held/loaned assets	44,354	89,877	134,231
Prepaid expenses	<u>1,102</u>	<u>-</u>	<u>1,102</u>
<b>Total assets</b>	<b><u>\$ 188,748</u></b>	<b><u>\$ 737,780</u></b>	<b><u>\$ 926,499</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 17,647	\$ -	\$ 17,647
Payroll taxes	<u>3,094</u>	<u>-</u>	<u>3,094</u>
<b>Total liabilities</b>	<b><u>20,741</u></b>	<b><u>-</u></b>	<b><u>20,741</u></b>
<b>FUND BALANCES</b>			
Reserved-reported in:			
Special Revenue Fund	-	737,742	737,742
Unreserved-reported in:			
General Fund	<u>168,007</u>	<u>-</u>	<u>168,007</u>
<b>Total fund balances</b>	<b><u>168,007</u></b>	<b><u>737,742</u></b>	<b><u>905,749</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 188,748</u></b>	<b><u>\$ 737,742</u></b>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>311,551</u>
Net assets of governmental activities	<b><u>\$ 1,217,380</u></b>

See notes to the financial statements.

St. Mary Parish Tourist Commission  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For The Year Ended September 30, 2003

	General	Special Revenues	Total Governmental Funds
<b>REVENUES</b>			
Hotel-motel tax	\$ 269,428	\$ -	\$ 269,428
Intergovernmental revenue	-	302,948	302,948
Interest	1,243	8,263	7,266
<b>Total revenues</b>	<u>270,671</u>	<u>311,211</u>	<u>578,874</u>
<b>EXPENDITURES</b>			
General government - current			
Tourism, advertising and promotion	\$ 98,335	\$ 3,000	\$ 98,339
Travel and conventions	10,990	-	10,990
Postage	17,205	-	17,205
Dues and subscriptions	4,899	-	4,899
Salaries and benefits	117,341	-	117,341
Fringe benefits	26,337	-	26,337
Legal and accounting	4,876	-	4,876
Office expense	13,873	180	14,053
Other	4,776	-	4,776
Payroll taxes	9,488	-	9,488
Travel expense	6,802	-	6,802
Telephones and utilities	12,293	-	12,293
Repairs and maintenance	18,848	11,538	22,286
<b>Total current expenditures</b>	<u>335,680</u>	<u>14,704</u>	<u>350,384</u>
Capital outlay-fixed assets	-	1,628	1,628
<b>Total expenditures</b>	<u>335,680</u>	<u>16,332</u>	<u>352,012</u>
Excess (deficiency) of revenues over expenditures	(65,017)	296,879	227,862
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	53,690	-	53,690
Transfer out	-	(53,690)	(53,690)
<b>Total other financing sources (uses)</b>	<u>53,690</u>	<u>(53,690)</u>	<u>-</u>
<b>Net change in fund balances</b>	(11,317)	239,879	227,862
<b>FUND BALANCES</b>			
Beginning of year	189,834	497,863	677,697
Ending of year	<u>\$ 168,007</u>	<u>\$ 737,742</u>	<u>\$ 905,749</u>

See notes to the financial statements.

St. Mary Parish Tourist Commission

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
Of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2003

Net change in fund balances - total governmental funds (fund financial statements)      \$ 227,862

Amounts reported for governmental activities in the statement of activities  
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.  
Governmental activities report depreciation expense to allocate the cost of these  
capital assets over the estimated useful lives of the asset.

Capital outlay	\$ 1,628	
Loss on fixed assets	(1,284)	
Depreciation expense	<u>(12,254)</u>	
		<u>(12,910)</u>
Change in net assets of governmental activities		<u>\$ 214,952</u>

See notes to the financial statements.

## ST. MARY PARISH TOURIST COMMISSION

### Notes To Financial Statements September 30, 2003

The St. Mary Parish Tourist Commission (the Commission) was created and established on October 23, 1991 by ordinance #1131 of the St. Mary Parish Council under authority of Act 19 of the Louisiana Legislature of 1975, to be effective February 1, 1992. The Commission is composed of nine directors, appointed by the St. Mary Parish Council for terms of three years, with three appointments expiring each year, and who serve without compensation. The Commission was formed for the purpose of promoting tourism within the Parish of St. Mary, State of Louisiana. The Commission has the authority to sue and be sued, to accept grants or donations of every type, to make capital improvements for the purpose of obtaining Federal Funds, to do all things necessary for promotion and advertisement and publication of information relating to tourist attractions within its jurisdiction. Act 19 as amended, authorized the governing authority of St. Mary Parish to levy and collect a tax not to exceed 4% of the rent or fee for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Commission to fund the operations of the Commission.

#### *Note 1 – Summary of Significant Accounting Policies*

The accounting and reporting policies of the St. Mary Parish Tourist Commission (the Commission) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

#### *A. Reporting Entity*

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for St. Mary Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the St. Mary Parish Council for financial reporting purposes. The St. Mary Parish Council appoints a voting majority of the Commission's governing body and can impose its will on the Commission. Based on criterion applied, the Commission is a component unit of the St. Mary Parish Council. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the St. Mary Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity for St. Mary Parish, Louisiana.

The Commission has no entities or organizations that are required to be included in its financial report as defined by Government Accounting Standards Board (GASB) Statement 14.

## ST. MARY PARISH TOURIST COMMISSION

### Notes To Financial Statements September 30, 2003

#### *Note 1 – Summary of Significant Accounting Policies, (Continued)*

#### **B. *Basic Financial Statements – Basis of Presentation***

##### **Government – Wide and Fund Financial Statements**

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the Commission's administrative services are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and liabilities as well as long-term debt and obligations. The Commission's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Commission's functions and activities. These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc.). This government-wide focus is more on the sustainability of the Commission as an entity and the change in the Commission's net assets resulting from the current year's activities.

##### **Fund Accounting**

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

*Note 1 – Summary of Significant Accounting Policies, (Continued)*

**B. Basic Financial Statements – Basis of Presentation, (Continued)**

**Governmental Funds**

Governmental Funds are those through which the 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 Governmental Funds of the Commission are as follows:

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.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources, the expenditures for which are legally restricted for purposes specified by law.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Hotel-Motel occupancy taxes are considered derived tax revenues (and related receivables) to be recognized when the underlying exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures.

Hotel-Motel tax revenue is recognized both when the underlying exchange takes place and in the accounting period in which the revenue becomes susceptible to accrual, when it is measurable and available. Interest income is recorded when received by the Commission. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2013

*Note 1 – Summary of Significant Accounting Policies, (Continued)*

**D. Budgets and Budgetary Accounting**

The Commission complies with the "Louisiana Local Government Budget Act" and hereinafter; budgets are adopted for its general fund and special revenue fund on a modified accrual basis that is consistent with generally accepted accounting principles. Annual budgets are prepared by the Executive Director of the Commission along with a budget message and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

The St. Mary Parish Tourist Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP), which for the General and Special Revenue Funds is the modified accrual basis of accounting.
- b. The Commission approves and adopts total budget revenue and expenditures only. The Commission transfers budget amounts between expenditure classifications within the General and Special Revenue Funds. Therefore, the level of budgetary responsibility is by total expenditures; however, for report purposes, this level has been expanded to classifications of expenditures. Unused appropriations lapse at the end of the year.

**E. Deposits and Investments**

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

Under state law, the Commission may invest in Louisiana Asset Management Pool (LAMP), United States bonds, treasury notes, or certificates. Investments are stated at cost.

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

Note 1 – Summary of Significant Accounting Policies, (Continued)

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10-40 years
Furniture and fixtures	5-12 years
Equipment	5-12 years

G. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or legally segregated by outside parties for a specific future use.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.



ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

**Item 2 – Deposits and Investments**

**DEPOSITS**

At September 30, 2003, the Commission has cash and cash equivalents totaling \$117,763 as follows:

	General Fund		Special Revenue		Total	
	Book Balance	Bank Balance	Book Balance	Bank Balance	Book Balance	Bank Balance
Cash in demand deposits	\$ 39,513	\$ 63,995	\$ 28,250	\$ 28,250	\$ 87,763	\$ 92,245
Time deposits	30,000	30,000	-	-	30,000	30,000
<b>Total</b>	<b>\$ 69,513</b>	<b>\$ 93,995</b>	<b>\$ 28,250</b>	<b>\$ 28,250</b>	<b>\$117,763</b>	<b>\$122,245</b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by \$100,000 FDIC/FSIC federal deposit insurance and, if necessary, the market value of pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. 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 by the Commission at September 30, 2003:

- 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 (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Commission's name)

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

*Note 2 – Deposits and Investments, (Continued)*

**DEPOSITS, (Continued)**

Deposits categorized by level of risk are:

Amounts insured by the FDIC or collateralized with securities held by the Commission in its name	\$121,243
Amounts collateralized with securities held by the pledging financial institution's trust department in the Commission's name	--
Uncollateralized	____
Total deposits	<u>\$121,243</u>

**INVESTMENTS**

Investments held at September 30, 2003 included \$673,354 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP as of September 30, 2003 is not categorized as one of the three risk categories provided by GASB Codification 150.125 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities 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 of 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 in accordance with LSA - R.S. 33:2935. 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.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 791) enacted LSA - R.S. 33:2955 (A) (1) (b) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

*Note 2 – Deposits and Investments, (Continued)*

**INVESTMENTS, (Continued)**

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities 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. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

*NOTE 3 – Due from Other Governments*

Hotel/Motel tax revenues and receivables are recognized when the underlying exchange (hotel-motel rental) takes place. Hotel/Motel taxes receivable at September 30, 2003 were recognized by the following governmental funds:

	<u>2003</u>
<b>General Fund:</b>	
Due from St. Mary Parish	
Sales and Use Tax Dept.	\$ 44,354
<b>Special Revenue Fund:</b>	
*Due from Treasurer of the	
State of Louisiana	<u>59,877</u>
<b>Total</b>	<b><u>\$104,231</u></b>

\*These funds are payable out of the State General Fund by statutory dedications from the St. Mary Parish Visitor Enterprise Fund in accordance with the General Appropriations Bills for 2003. These funds are dedicated by the State from hotel/motel tax collections and are reported as intergovernmental revenues by the Commission.

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

*Note 4 – Capital Assets*

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets, not being depreciated</b>				
Land	\$ 85,467	-	-	\$ 85,467
Total not being depreciated	\$ 85,467	-	-	\$ 85,467
<b>Capital assets, being depreciated</b>				
Buildings & Improvements	\$ 733,279	\$ 1,628	\$ 1,628	\$ 733,279
Furniture & Office Equipment	31,435	-	-	31,435
Total being depreciated	\$ 764,714	\$ 1,628	\$ 1,628	\$ 764,714
Less accumulated depreciation:				
Buildings & Improvements	\$ 29,914	\$ 8,217	\$ 244	\$ 37,887
Furniture & Office Equipment	12,726	3,817	-	16,543
Totals	\$ 42,640	\$ 12,034	\$ 244	\$ 54,918
Capital assets, net	\$ 324,561			\$ 311,551

*Note 5 – Compensated Absences*

The Commission has the following policy relating to vacation and sick leave:

All full-time employees are eligible for vacation and sick leave in varying amounts in specified maximums depending on tenure with the Commission. Part-time, temporary, or probationary employees are not eligible for vacation.

The Commission's policy allows for no more than five unused vacation days to be carried over to the following calendar year by an employee in any year. Should the employee not use the carry over vacation time they will be paid in full. In the event of termination an employee is reimbursed for any unused accumulated vacation leave. Vacation pay is recorded as an expenditure in the period in which paid. At September 30, 2003 unrecorded liability for accumulated vacations is not material.

It is the Commission's policy to permit employees to accumulate earned but unused sick pay benefits. Such benefits must be used during employment. Employees are not paid for unused sick days upon termination of employment. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

*Item 6 – Risk Management*

The Commission is exposed to various risks of loss related to limited terms, theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Commission carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements of claims have not exceeded coverage in the past three years.

*Item 7 – Retirement Plan*

All Commission employees are covered under the Federal Insurance Contribution Act (Social Security). In addition, qualified employees also belong to a SEP/IRA Retirement Plan. The Commission contributes 12% of the gross wages of each qualified employee to their individual SEP/IRA Retirement Plan account on an annual basis. The Commission's contributions to the above plans totaled approximately \$19,531 for the year ended September 30, 2003. This amount is paid to the Retirement Systems which are responsible for administering the plan and disbursing benefits. There were no unfunded contributions at year-end. Unpaid FICA taxes totaled \$1,438 at year-end and was paid in October, 2003.

*Item 8 – Board of Commissioners and Per Diem Allowance*

As of September 30, 2003 or during the period then ended, the following individuals served on the Board of Commissioners. The Commission did not pay any per diem allowances to its board members during the year.

<u>Name</u>	<u>Months of Service</u>	<u>Name</u>	<u>Months of Service</u>
Henry Lee	12	Clarence Kesper	12
Lenny Darice	12	Kim Walden	12
Al Kuhlman	12	Lennie Simonson	12
Sharon Howell	12	David Boarder	12
Larry Van Pelt	12		

## ST. MARY PARISH TOURIST COMMISSION

Notes To Financial Statements  
September 30, 2003

### *Note 5 – Special Revenue Fund*

Act No. 825 as approved by the Louisiana Legislature in July, 1997 enacted LSA-R.S. 47:302.31, 322.2 and 332.2B to create the St. Mary Parish Visitor Enterprise Fund, to dedicate certain monies to the fund, and to provide for uses of monies in the fund.

The monies in the St. Mary Parish Visitor Enterprise Fund shall be subject to an annual appropriation by the legislature and shall be available exclusively for use by the St. Mary Parish Tourist Commission to fund the development of tourism and other economic growth projects within the parish of St. Mary. All unexpended and unencumbered monies in the fund shall remain in the fund. The monies in the fund shall be invested by the state treasurer in the same manner as the monies in the State of Louisiana general fund, and all interest earned shall be deposited into the state general fund.

For the state fiscal year, June 30, 2003 the legislature approved an appropriation in the amount of \$235,000 to the St. Mary Parish Tourist Commission from the St. Mary Parish Visitor Enterprise Fund. The Board of Commissioners has developed guidelines to administer the spending of these funds by the Commission in accordance with the restricted purposes as specified by law. The Commission is accounting for these funds in a special revenue fund.

*Required Supplemental Information ( Part II)*

St. Mary Parish Tourist Commission  
 Budget Comparison Schedule  
 General Fund  
 For The Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Hotel/Motel tax	\$ 284,080	\$ 267,050	\$ 269,420	\$ 2,367
Interest	3,000	2,750	1,243	(1,507)
<b>Total Revenues</b>	<u>287,080</u>	<u>269,800</u>	<u>270,663</u>	<u>880</u>
<b>EXPENDITURES</b>				
General government - current:				
Tourism, advertising and promotion	100,447	89,600	86,355	(5,735)
Travel and conventions	9,000	8,500	10,990	(2,490)
Postage	15,000	18,000	17,205	795
Dues and subscriptions	4,582	4,800	4,899	(99)
Salaries and wages	121,208	118,008	117,341	639
Health insurance	16,899	16,508	16,182	318
SEP retirement plan	18,558	18,553	18,553	-
Insurance	2,912	4,800	3,532	468
Legal and accounting	3,803	4,231	4,078	35
Office expense	13,258	14,800	13,872	128
Other expenses	1,200	1,200	1,244	44
Payroll taxes	10,202	9,800	9,688	(488)
Tuition	7,400	7,800	8,802	(198)
Telephone and utilities	12,825	12,000	12,293	(293)
Repairs and maintenance	10,200	10,000	11,848	(848)
Total current expenditures	<u>340,658</u>	<u>327,365</u>	<u>331,688</u>	<u>(8,294)</u>
Capital outlay-fixed assets	2,000	-	-	-
<b>Total Expenditures</b>	<u>342,658</u>	<u>327,365</u>	<u>331,688</u>	<u>(8,294)</u>
Excess (Deficiency) of Revenues Over Expenditures	(125,058)	(57,565)	163,817	(7,404)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	<u>185,039</u>	<u>37,583</u>	<u>51,080</u>	<u>(4,383)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(29,999)	-	(32,007)	(32,007)
<b>FUND BALANCES</b>				
Beginning of Year	<u>188,024</u>	<u>188,024</u>	<u>188,024</u>	<u>-</u>
End of Year	<u>\$ 158,025</u>	<u>\$ 158,024</u>	<u>\$ 156,017</u>	<u>\$ (12,007)</u>



St. Mary Parish Tourist Commission  
 Budget Comparison Schedule  
 Special Revenue Fund  
 For The Year Ended September 30, 2005

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental revenue	\$ 225,000	225,000	\$ 302,948	\$ 77,948
Interest	7,500	8,500	8,261	(239)
<b>Total Revenues</b>	<u>232,500</u>	<u>233,500</u>	<u>308,211</u>	<u>77,711</u>
<b>EXPENDITURES</b>				
General government - current:				
Township, advertising and promotion	-	3,000	3,000	-
Office expenses	300	200	166	14
Repairs and maintenance	20,000	12,000	11,958	462
Total current expenditures	20,300	15,200	14,704	488
Capital outlay-fixed assets	3,500	2,000	1,628	572
<b>Total Expenditures</b>	<u>23,800</u>	<u>17,200</u>	<u>16,332</u>	<u>688</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	208,700	214,300	293,879	78,579
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:	(103,000)	(53,000)	(53,000)	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	105,641	161,300	240,879	78,579
<b>Fund Balances</b>				
Fund Balance, Beginning of Year	497,863	497,863	497,863	-
<b>Fund Balance, End of Year</b>	<u>\$ 601,504</u>	<u>\$ 659,163</u>	<u>\$ 737,742</u>	<u>\$ 78,579</u>

*Reports Required by Government  
Auditing Standards*

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CERTIFIED PUBLIC ACCOUNTANTS  
—  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**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  
St. Mary Parish Tourist Commission  
Patterson, Louisiana

We have audited the basic financial statements of St. Mary Parish Tourist Commission, as of and for the year ended September 30, 2000, and have issued our report thereon dated March 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the St. Mary Parish Tourist Commission's basic 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 instances 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 St. Mary Parish Tourist Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 judgment, could adversely affect the Tourist Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item DC 2003-1.

To the Board of Commissioners  
St. Mary Parish Tourist Commission  
Patterson, Louisiana  
Page 2 of 2

#### **Internal Control Over Financial Reporting (Continued)**

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 basic 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 consider the reportable condition identified as DC 2003-1 in the accompanying schedule of findings and questioned costs to be a material weakness.

This report is intended solely for the information and use of the Board of Commissioners (management), the St. Mary Parish Council, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*LeBlanc and Carpenter*

March 12, 2004  
Morgan City, Louisiana

St. Mary Parish Tourist Commission  
 State of Louisiana  
**Schedule of Findings and Questioned Costs**  
 For The Year Ending September 30, 2003

We have audited the basic financial statement of St. Mary Parish Tourist Commission as of and for the year ended September 30, 2003, and have issued our report thereon dated March 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 2003 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control:

Material Weakness

YES

NO

Reportable Conditions

YES

NO

Compliance:

Compliance Material to Financial Statements

YES

NO

**b. Federal Awards**

The auditor has determined that there were no federal awards received by the Commission therefore this section is not applicable.

Internal Control:

Material Weakness

YES

NO

Reportable Conditions

YES

NO

Type of Opinion on Compliance  
 for Major Programs:

Unqualified  
 Distaince

Qualified  
 Adverse

Are their findings required to be reported in accordance with Circular A-115, Section .500(a)?

YES

NO

**c. Identification of Major Programs:**

CFDA Number (s)

Name of Federal Program (or Cluster)

The auditor has determined that there were no federal awards received by the Commission, therefore this section is not applicable.

St. Mary Parish Tourist Commission  
State of Louisiana  
**Schedule of Findings and Questioned Costs**  
For The Year Ending September 30, 2003

**Section II - Financial Statement Findings**

**DC 1003-1: Material Weakness - Segregation of Duties**

Our examination disclosed that there is very little segregation of duties amongst the Commission's accounting functions, particularly in the areas of cash disbursements, cash receipts, bank reconciliations, general ledger and journal entries. This weakness is due to the fact that the Commission employs only one person to attend to the various accounting functions. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected timely.

We recommend the following procedures as suggestions to compensate for the lack of segregation of duties within the Commission's accounting function:

- 1) Board approval for all invoices before the invoice is paid.
- 2) Require signatures of two approved Board members on each check to be written.
- 3) Have the monthly bank statement mailed direct to a Board member each month. This member could prepare the monthly bank reconciliation or at least do a review of checks clearing the bank statement. This review would include comparing the information on each cancelled check to the check register maintained by the bookkeeper, verifying payments were made to authorized vendors, and verifying approved signatures.
- 4) On a monthly basis the Board should review the cash disbursements journal for agreement to the check register and cancelled checks.
- 5) On a monthly basis the Board should review the general ledger and journal entries to ascertain if the recorded transactions were consistent with those previously approved by the Board.
- 6) The Board should review bank statements and journals to verify that tax collections are deposited timely and to agree the State of Louisiana's remittance stub information and local sales tax collection reports.

This list is not intended to be all inclusive of procedures that could be instituted to strengthen internal controls but to provide suggestions that the Board may consider to better monitor its accounting function due to a limited number of accounting personnel.

**Section III - Federal Award Findings and Questioned Costs**

The auditor has determined that there were no Federal awards received by the Commission, therefore this section is not applicable.

St. Mary Parish Tourist Commission

State of Louisiana

Status of Prior Audit Findings

Year Ended September 30, 2003

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
<b>Section I - Internal Control and Compliance Material to the Financial Statements:</b>				
	9/30/2002	Segregation of Duties	Partially	Continue Monitoring

See current year finding and Corrective Action Plan.

**Section II - Internal Control and Compliance Material to Federal Awards:**

None reported in the prior year.

**Section III - Management Letter:**

None presented in the prior year.

St. Mary Parish Tourist Commission  
 State of Louisiana  
**Corrective Action Plan**  
 For The Year Ending September 30, 2005

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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**Section I - Internal Control and Compliance Material to the Financial Statements:**

IC 2005-1	Segregation of Duties	(See Response)	Henry Lee	Continue Monitoring
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**Corrective Action Plan**

The Board of Commissioners has provided the following response and corrective action plan to the aggregation of duties finding. The Board has identified the following compensating controls that are in effect. The Board has always reviewed and approved invoices prior to payment or any other cash disbursements to be made. The Board has always required dual signatures of approved members on any checks to be written. The Board reviews the bank balances at the monthly meetings. The Board will consider changing the monthly bank statement mailing and reconciliation procedures. Due to the limited number of accounting personnel, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also, the cost of additional employees might exceed any benefits gained. The Board acknowledges the loss of internal control that results with their limited staff and are constantly monitoring for any problems or irregularities.

**Section II - Internal Control and Compliance Material to Federal Awards:**

The auditor has determined that there were no federal awards received by the District, therefore this section is not applicable.

**Section III - Management Letter:**

There was no management letter issued with this engagement.

This schedule has been prepared by management.