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WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)

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General-Purpose Financial Statements and  
Independent Auditor's Reports

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Year Ended December 31, 1999

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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 MAR 0 8 2000

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)

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# RICHARD M. SEAL

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CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

## INDEPENDENT AUDITOR'S REPORT ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS

To the Board of Directors  
Washington Parish Tourism Commission  
Bogalusa, Louisiana

I have audited the accompanying general-purpose financial statements of the Washington Parish Tourism Commission, a component unit of the Washington Parish Government, as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Washington Parish Tourism Commission's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

The commission's accompanying statement of revenue, expenditures, and changes in fund balances does not reflect comparative budget figures because a budget for the calendar year 1999 was not adopted as required by generally accepted accounting principles.

In my opinion, except for the omission of comparative budget figures discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the *Washington Parish Tourism Commission*, as of *December 31, 1999*, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated *January 25, 2000* on my consideration of the *Washington Parish Tourism Commission's* internal control over financial reporting and my tests of compliance with certain provisions of laws and regulations.



Certified Public Accountant

Bogalusa, Louisiana  
January 25, 2000

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)  
GENERAL FUND

Balance Sheet  
December 31, 1999

ASSETS

Cash	\$ 43,512
Accounts receivable	<u>1,643</u>
Total assets	<u>\$ 45,155</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 177
Fund balance:	
Unreserved, undesignated	<u>44,978</u>
Total liabilities and fund balances	<u>\$ 45,155</u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)  
GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 1999

Revenues:	
Intergovernmental-	
State hotel/motel tax	\$ 15,444
Refund of training fee	1,643
Interest	<u>1,011</u>
Total revenues	<u>18,098</u>
Expenditures:	
Current:	
Economic development-	
Salaries and fringe benefits	7,927
Professional fees	1,950
Rent	700
Advertising/brochures	5,208
Utilities	608
Office	1,243
Postage	123
Dues	869
Miscellaneous	<u>188</u>
Total expenditures	<u>18,816</u>
Excess (deficiency) of revenues over expenditures	(718)
Other financing sources(uses):	
Transfer in-	
Washington Parish Government	<u>7,927</u>
Total other financing sources(uses)	7,927
Excess of revenues and other financing sources over expenditures and other uses	7,209
Fund balance, beginning	<u>37,769</u>
Fund balance, ending	<u>\$ 44,978</u>

The accompanying notes are an integral part of this statement.

**WASHINGTON PARISH TOURISM COMMISSION**  
(A Component Unit of the Washington Parish Government)

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS**  
December 31, 1999

**INTRODUCTION**

Washington Parish Tourism Commission (the commission) was created by the Washington Parish Government on May 26, 1992 by ordinance number 46. The Commission is governed by a seven member Board of Directors appointed by the Washington Parish Government.

The purpose of the commission is the promotion of tourism within Washington Parish. The rights, powers, and duties of the Commission are covered in LA R. S. 33:4574, et seq.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general-purpose financial statements of the commission have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the Washington Parish Government (the parish government), for reporting purposes, the parish government is the financial reporting entity for the Washington Parish Tourism Commission. The financial reporting entity consists of (a) the primary government (the parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)  
Notes to the General-Purpose Financial Statements

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is *financial accountability*. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. *The ability of the parish government to impose its will on that organization and/ or*
  - b. *The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.*
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the *nature or significance of the relationship*.

Because the parish government appoints the commission's governing body and can impose its will, the commission was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the commission and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### **C. FUND ACCOUNTING**

The commission uses a fund 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 relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)  
Notes to the General-Purpose Financial Statements

The commission only uses one fund:

1. General Fund -- the general operating fund of the commission and accounts for all financial resources.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the general fund. The general fund uses the following practices in recording revenues and expenditures:

Revenues

Revenue from the State of Louisiana is recorded as income in the year received.

Expenditures

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

**E. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

**F. BUDGETS**

LA R.S. 4574.2.(a) requires that the commission submit annually to the parish government for approval a budget for its operations during the ensuing year.

No budget was adopted for the calendar year 1999.

**WASHINGTON PARISH TOURISM COMMISSION**  
(A Component Unit of the Washington Parish Government)  
Notes to the General-Purpose Financial Statements

**G. AUDIT**

LA R.S. 4574.2.(c) requires that the books of the commission be audited annually by an independent certified public accountant.

**NOTE 2 - CASH**

All deposits of the commission were held by an area financial institution. At December 31, 1999, the book balance of the commission's checking account was \$43,512, and the bank balance was \$43,658. All deposits were insured by the Federal Deposit Insurance Corporation.

**NOTE 3 - DISTRIBUTIONS OF STATE HOTEL/MOTEL TAX**

A portion of the hotel/motel tax collected by the State of Louisiana is allocated and distributed to the various tourism commissions in the state. During 1999, the commission received \$15,444 from the state.

**NOTE 4 - REFUND OF TRAINING FEE**

During 1998, the commission paid \$2,646 to the Bogalusa Chamber of Commerce for employee training. In 1999, \$1,643 of this training fee was refunded to the commission.

**NOTE 5 - ON-BEHALF PAYMENTS**

GASB Statement No. 24 establishes accounting and financial reporting standards for pass-through grants, food stamps, and on-behalf payments for fringe benefits and salaries. The Washington Parish Government paid \$7,927 salary and fringe benefits directly to an employee of the Washington Parish Tourism Commission on-behalf of the commission. The payments are reflected in the accompanying financial statements as a transfer in and as an expenditure for salary and fringe benefits.

# RICHARD M. SEAL

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CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Washington Parish Tourism Commission  
Bogalusa, Louisiana

I have audited the financial statements of Washington Parish Tourism Commission, a component unit of the Washington Parish Government, as of and for the year ended December 31, 1999, and have issued my report thereon dated January 25, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Washington Parish Tourism 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 99-1, 99-2, and 99-3.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Washington Parish Tourism Commission's 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Board of Directors, the Washington Parish Government, and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Bogalusa, Louisiana  
January 25, 2000

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)

Schedule of Findings  
For the Year Ended December 31, 1999

I have audited the financial statements of Washington Parish Tourism Commission, a component unit of the Washington Parish Government, as of and for the year ended December 31, 1999, and have issued my report thereon dated January 25, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1999 resulted in a qualified 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

**Section II Financial Statement Findings**

**99-1 BUDGET ADOPTION**

Criteria - R. S. 39:13 requires that all political subdivisions of the state adopt a comprehensive budget presenting a complete financial plan for the ensuing fiscal year.

Condition - No budget was adopted for the calendar year 1999.

Auditor's Recommendation - A budget should be adopted annually in accordance with state law.

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)

Schedule of Findings  
For the Year Ended December 31, 1999

**Section II Financial Statement Findings (Continued)**

**99-1 BUDGET ADOPTION(continued)**

Management's Detailed Corrective Action Plan - Budget for following calendar year will be adopted at current year's September meeting of Washington Parish Tourism Commission so that it may reach the Parish Council before December for their approval.

**99-2 BUDGET APPROVAL**

Criteria - R.S. 33:4574.2 requires that the commission submit annually to the governing authority of the parish a budget for its operations during the ensuing year. The governing authority of the parish has the right to approve or disapprove such budget. If the budget is approved, the commission may proceed to act thereunder.

Condition - The commission did not submit a budget for calendar year 1999 to parish government for approval.

Auditor's Recommendation - The purpose of a budget is not only to control spending, but it is also the legal authority to spend money. The commission should have its budget approved by the parish government in accordance with state law.

Management's Detailed Corrective Action Plan - Budget for following calendar year will be adopted at current year's September meeting of Washington Parish Tourism Commission so that it may reach the Parish Council before December for their approval.

WASHINGTON PARISH TOURISM COMMISSION  
(A Component Unit of the Washington Parish Government)

Schedule of Findings  
For the Year Ended December 31, 1999

**Section II Financial Statement Findings (Continued)**

**99-3 MEETINGS NOTICE**

Criteria - R.S. 42:7(A) requires that "all public bodies, except the legislature and its committees and subcommittees, shall give written public notice of their regular meetings."

Condition - There was no evidence that public notice had been given for all of the meetings during the year.

Auditor's Recommendation - Public notice should be given for all meetings.

Management's Detailed Corrective Action Plan - A letter will be put on file with the official newspaper for the parish, The Era-Leader, stating the regularly scheduled dates (3rd Thursday of each month), for the year, with any change in these plans to require separate notice to the newspaper. Such letter/notice will be posted at the Commission's new address at 908 Mill St. in Franklinton.

**WASHINGTON PARISH TOURISM COMMISSION**  
(A Component Unit of the Washington Parish Government)

Summary Schedule of Prior-Year Findings  
For the Year Ended December 31, 1999

Ref No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
98-1	1998	R.S. 24:513 requires that audits be completed within six-months of the close of the fiscal year. The first bit of information was given to the auditor on June 15, 1999 and continued on until July 15, 1999. Therefore, the audit could not be completed within the six-month time limit (June 30, 1999).	Resolved, information was given to the auditor in a timely fashion.
98-2	1998	R.S. 39:13 requires that all political subdivisions of the state adopt a comprehensive budget presenting a complete financial plan for the ensuing fiscal year. No budget was adopted for the calendar year 1998.	Not resolved, see current Schedule of Findings (99-1).
98-3	1998	The Louisiana Constitution prohibits the donation of public funds. In December, 1998, the commission received a bill from the Bogalusa Chamber of Commerce for training of an employee hired by the commission. The amount seemed to have some donative intent because the training seemed over excessive for one employee to be trained for six-months exclusively.	Resolved, the commission received a refund of some of the training fee in 1999.
98-4	1998	There was no evidence of public notice being given for any of the meetings held in 1998, in addition, minutes could not be located for the January through April, 1998 meetings.	Partially resolved. Minutes were kept for all meetings held in 1999. However, there was no evidence of public notice being given for all meetings held in 1999. See Schedule of Findings (99-3).