

RECEIVED  
LEGISLATIVE AUDITOR  
04 JUN 18 AM 11:08

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

Financial Report

Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9.1.04

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	4
Statement of revenues, expenditures, and changes in fund balance - governmental fund type - general fund	5
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - governmental fund type - general fund	6
Notes to financial statements	7-15
SUPPLEMENTAL INFORMATION	
SCHEDULE OF INDIVIDUAL FUND AND ACCOUNT GROUPS	
General Fund:	
Comparative balance sheets	19
Comparative statements of revenues	20
Comparative statements of expenditures	21-24
General Fixed Assets Account Group:	
Comparative statements of general fixed assets	26
Statement of changes in general fixed assets	27
General Long-Term Debt Account Group:	
Statement of general long-term debt	29
INTERNAL CONTROL AND COMPLIANCE	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	31-32
Schedule of Prior and Current Audit Findings and Management's Corrective Action Plan	33

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Conrad O. Chapman, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*

P.O. Box 250  
Breux Bridge, LA 70517

Phone (337) 332-4020  
Fax (337) 332-2867

WEB SITE:  
WWW.KSRCPCAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Carter, CPA  
Allen J. LaBry, CPA  
Harry J. Clostio, CPA  
Penny Angelle Scruggins, CPA  
Christine L. Cousin, CPA  
Mary T. Thibodeaux, CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Cheryl L. Bartley, CPA, CVA

\* A Professional Accounting Corporation

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Lafayette Parish Convention and Visitors Commission, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Parish Convention and Visitors Commission, as of December 31, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated, May 14, 2004 on our consideration of the Lafayette Parish Convention & Visitors Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

183 South Beadle Road  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

113 East Bridge Street  
Breux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

408 W. Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

332 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information (pp. 16-33) is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Lafayette Parish Convention and Visitors Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

***Kolder, Champagne, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
May 14, 2004

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

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 2003

	Governmental Fund Type General	Fiduciary Fund Type Agency	Account Groups		Totals (Memorandum Only)	
			General Fixed Assets	General Long-Term Debt	2003	2002
<b>ASSETS</b>						
Cash and investments	\$ 450,077	\$ 16,156	\$ -	\$ -	\$ 466,233	\$ 255,179
Taxes receivable	103,862	-	-	-	103,862	111,923
Accounts receivable	6,859	-	-	-	6,859	7,141
Prepaid items	25,715	-	-	-	25,715	35,620
Buildings	-	-	369,320	-	369,320	369,320
Equipment	-	-	267,309	-	267,309	249,066
Improvements	-	-	35,712	-	35,712	35,712
Lease deposit	350	-	-	-	350	350
Amount to be provided for retirement of general long-term debt	-	-	-	4,399	4,399	4,722
<b>Total assets</b>	<b>\$ 586,863</b>	<b>\$ 16,156</b>	<b>\$ 672,341</b>	<b>\$ 4,399</b>	<b>\$ 1,279,759</b>	<b>\$ 1,069,033</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 43,919	\$ -	\$ -	\$ -	\$ 43,919	\$ 14,577
Accrued compensated absences	-	-	-	4,399	4,399	4,722
Other liabilities	4,756	-	-	-	4,756	-
Due to others	-	16,156	-	-	16,156	7,178
<b>Total liabilities</b>	<b>48,675</b>	<b>16,156</b>	<b>-</b>	<b>4,399</b>	<b>69,230</b>	<b>26,477</b>
<b>Fund equity:</b>						
Investment in general fixed assets	-	-	672,341	-	672,341	654,098
Fund balances -						
Reserved for prepaid items	25,715	-	-	-	25,715	35,620
Unreserved and undesignated	512,473	-	-	-	512,473	352,838
<b>Total fund equity</b>	<b>538,188</b>	<b>-</b>	<b>672,341</b>	<b>-</b>	<b>1,210,529</b>	<b>1,042,556</b>
<b>Total liabilities and fund equity</b>	<b>\$ 586,863</b>	<b>\$ 16,156</b>	<b>\$ 672,341</b>	<b>\$ 4,399</b>	<b>\$ 1,279,759</b>	<b>\$ 1,069,033</b>

The accompanying notes are an integral part of this statement.

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund Type - General Fund  
Year Ended December 31, 2003

Revenues:	
Taxes	\$ 1,248,851
Fees and service	36,380
Co-op programs	661
Interest	2,984
Cycle Zydeco	109,845
Miscellaneous	<u>54,489</u>
Total revenues	<u>1,453,210</u>
Expenditures:	
Current -	
Culture and recreation:	
Personnel	511,859
Administrative and public affairs	197,425
Tourism program	197,077
Convention program	144,866
Membership	1,086
Winter visitor marketing	12,351
Sports events	95,365
Gateway	52,500
Festival promotion	17,777
Local awareness	985
Special projects	8,000
Unplanned events	35,594
Capital outlay	<u>28,595</u>
Total expenditures	<u>1,303,480</u>
Excess of revenues over expenditures	149,730
Fund balance, beginning of year	<u>388,458</u>
Fund balance, end of year	<u>\$ 538,188</u>

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Governmental Fund Type - General Fund  
Year Ended December 31, 2003  
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 1,236,000	\$ 1,248,851	\$ 12,851	\$ 1,233,464
Fees and services	45,000	36,380	(8,620)	48,252
Co-op programs	35,000	661	(34,339)	17,075
Interest	7,000	2,984	(4,016)	3,671
Cycle Zydeco	-	109,845	109,845	64,521
Miscellaneous	50,000	54,489	4,489	43,256
Total revenues	<u>1,373,000</u>	<u>1,453,210</u>	<u>80,210</u>	<u>1,410,239</u>
<b>Expenditures:</b>				
<b>Current -</b>				
<b>Culture and recreation:</b>				
Personnel	579,000	511,859	67,141	529,917
Administrative and public affairs	196,400	197,425	(1,025)	190,649
Tourism program	263,300	197,077	66,223	192,481
Convention program	123,800	144,866	(21,066)	145,244
Membership	3,300	1,086	2,214	1,838
Winter visitor marketing	25,100	12,351	12,749	23,023
Film commission	4,500	-	4,500	4,130
Sports events	19,500	95,365	(75,865)	49,536
Gateway	65,000	52,500	12,500	57,000
Festival promotion	17,000	17,777	(777)	22,248
Local awareness	8,100	985	7,115	7,511
Parish external projects	8,000	8,000	-	16,000
Unplanned events	25,000	35,594	(10,594)	44,444
Capital outlay	35,000	28,595	6,405	14,504
Total expenditures	<u>1,373,000</u>	<u>1,303,480</u>	<u>69,520</u>	<u>1,298,525</u>
Excess of revenues over expenditures	-	149,730	149,730	111,714
Fund balance, beginning of year	<u>388,458</u>	<u>388,458</u>	-	<u>276,744</u>
Fund balance, end of year	<u>\$ 388,458</u>	<u>\$ 538,188</u>	<u>\$ 149,730</u>	<u>\$ 388,458</u>

The accompanying notes are an integral part of this statement.

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

**Notes to Financial Statements**

**(1) Summary of Significant Accounting Policies**

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

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

The following is a summary of certain significant accounting policies:

**A. Financial Reporting Entity**

This report includes all funds and account groups which are controlled by or dependent on the Commission and legislative branches (the President and Board of Commissioners). Control by or dependence on the Commission was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain units of local government over which the Commission exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Commission.

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

**B. Fund Accounting**

The accounts of the Commission are organized on the basis of two funds and two account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are accounted for in these funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

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

**Notes to Financial Statements (Continued)**

**General Fund**

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

**Agency Funds**

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

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

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

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

Amateur Athletic Union (AAU) Fund - To account for funds associated with hosting amateur athletic events in the City of Lafayette.

**C. Account Groups**

**General Fixed Assets Account Group**

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

**General Long-term Debt Account Group**

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

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

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

D. Basis of Accounting

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

The Commission's records are accounted for using the modified accrual basis of accounting except for the Agency Funds, which are prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Available is defined as the one-year period following year-end.

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

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

E. Budgetary Accounting

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

F. Cash and Investments

Cash and investments include amounts in demand deposits and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP) which are stated at cost. An investment in the amount of \$163,322 at December 31, 2003 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section I50.165 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principle offices in Louisiana.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003 are recorded as prepaid items.

H. Vacation and Sick Leave

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

In addition, employees earn 12 days of sick leave each year. Employees shall be allowed to carry over one-third of their vacation leave earned during the current calendar year. Sick leave may be accumulated to a maximum of 130 days; however, sick leave is not payable upon termination. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. An employee who has depleted his/her accumulated sick and annual leave as a result of his/her seriously incapacitating and extended illness or injury may ask to receive donations of sick leave from other employees through the Sick Leave Bank (Medical Leave Assistance Program) in order that the ill/injured employee may receive income during the period when they are unable to work. The employee must have been with the Commission a minimum of six months.

I. Encumbrances

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

J. Fund Equity

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

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

K. Total Columns on Combined Balance Sheet - Overview

Total columns on the combined balance sheet - overview is captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(2) Cash and Investments

At December 31, 2003, the Commission has seven demand deposit accounts (book balance) totaling \$302,911.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Deposit balances (bank balances) at December 31, 2003, are secured as follows:

Bank balances	<u>\$334,266</u>
Federal deposit insurance	\$175,714
Pledged securities (Category 3)	<u>158,552</u>
Total secured deposits	<u>\$334,266</u>

At December 31, 2003, the Commission has one money market mutual fund investment. This investment is composed of Treasury bills, notes, and other obligations that are fully guaranteed as to payment by the United States government. Because of the safety of this investment, this investment takes exception to state law requiring security of federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2003 the carrying amount of this investment was \$163,322; the bank balance was \$163,322.

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

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

Notes to Financial Statements (Continued)

At December 31, 2003, the Commission's investment, at cost, is \$163,322. The amortized cost of this investment at December 31, 2003 is approximately \$163,250. Because cost approximates amortized cost, the carrying value was not adjusted.

(3) Taxes Receivable

The balance in taxes receivable of \$103,862 at December 31, 2003 represents the Commission's portion of the accommodation tax collected in December by the parish tax collector.

(4) Accounts Receivable

The balance in accounts receivable of \$6,859 at December 31, 2003 is primarily due from vendors who participate in cooperative advertising with the Commission.

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>1/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2003</u>
Buildings	\$369,320	\$ -	\$ -	\$ 369,320
Equipment	249,066	28,595	(10,352)	267,309
Improvements	<u>35,712</u>	<u>-</u>	<u>-</u>	<u>35,712</u>
	<u>\$654,098</u>	<u>\$ 28,595</u>	<u>\$ (10,352)</u>	<u>\$ 672,341</u>

(6) Changes in Long-Term Liabilities

During the year ended December 31, 2003, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>1/1/2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2003</u>
Compensated absences	<u>\$ 4,722</u>	<u>\$ 862</u>	<u>\$ (1,185)</u>	<u>\$ 4,399</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(7) Retirement Commitments

All employees are members of at least one of the following retirement systems during the year ended December 31, 2003:

- Federal Social Security System
- State of Louisiana Deferred Compensation Plan

Pertinent information relative to each plan follows:

A. Federal Social Security System

All employees of the Commission were members of the Federal Social Security System through June 30, 2001. After June 30, 2001, some employees opted to participate in the deferred compensation plan, as opposed to the Social Security System. For those who participated in the Social Security System, the Commission and the employees contributed a percentage of employee's salary to the System (7.65% contributed by the Commission; 7.65% by the employee). The Commission's contribution during the year ended December 31, 2003 amounted to \$8,020.

B. State of Louisiana Deferred Compensation Plan:

This plan was adopted by the Commission in July 2001. The plan was created in 1982 by the Louisiana Deferred Compensation Commission.

Summary of benefits -

Any employee at least 21 years of age who is expected to work at least 1,000 hours a year is eligible to participate in the Plan on the effective employment date. Normal retirement date is the first day of the month in which an employee reaches age 65, or the date he completes 10 years of plan participation, if later. Also, a member may choose early retirement if he is at least 55 years of age and has had 10 years of service. The amount of a member's retirement income will be determined by the value of their account at retirement. The full value of the account will be used to purchase an annuity or to make an installment settlement. The plan also provides death and disability benefits.

Contributions -

Contributions to the plan include an amount paid by the employer, equal to 14.25 percent of each participant's salary each year. No participant shall be required to make mandatory contributions. A participant may elect to make a voluntary contribution (minimum of \$20 per month; maximum of 100% of annual salary, if this does not exceed annual limit imposed by Internal Revenue Code section 457). The Commission's contribution during the year ended December 31, 2003 amounted to \$47,797.

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

Notes to Financial Statements (Continued)

(8) Leasing Arrangements

The Commission leases one automobile under an operating lease agreement. Rental expense for the years ended December 31, 2003 and 2002 were \$6,660 and \$6,660 respectively. The following is a schedule of minimum future rentals for the operating lease as of December 31, 2003:

<u>Year Ended December 31,</u>	<u>Total</u>
2004	\$ 6,660
2005	<u>555</u>
Total	<u>\$ 7,215</u>

(9) Risk Management

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

(10) Board of Commissioners' Compensation

No per diem or other compensation was paid to commissioners of the Lafayette Parish Convention and Visitors Commission for the year ended December 31, 2003.

(11) Changes in Agency Fund Balances

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

	<u>Jean Lafitte Fund</u>	<u>Real French Fund</u>	<u>Visitor Enterprise Fund</u>	<u>Amateur Athletic Union Fund</u>	<u>Total</u>
Balances, December 31, 2002	\$ 4,067	\$ 755	\$ 2,443	\$ (87)	\$ 7,178
Additions	45,448	36,987	137,773	30,000	250,208
Reductions	<u>(45,398)</u>	<u>(37,037)</u>	<u>(129,625)</u>	<u>(29,170)</u>	<u>(241,230)</u>
Balances, December 31, 2003	<u>\$ 4,117</u>	<u>\$ 705</u>	<u>\$ 10,591</u>	<u>\$ 743</u>	<u>\$ 16,156</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(12) New Reporting Standard

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Lafayette Parish Convention and Visitors Commission is required to implement this standard for the fiscal year ending December 31, 2004. The Commission has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

SUPPLEMENTAL INFORMATION

SCHEDULE OF INDIVIDUAL FUND AND ACCOUNT GROUPS

GENERAL FUND

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

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

**Comparative Balance Sheets**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Cash and investments	\$ 450,077	\$ 248,001
Taxes receivable	103,862	111,923
Accounts receivable	6,859	7,141
Prepaid items	25,715	35,620
Lease deposit	<u>350</u>	<u>350</u>
Total assets	<u>\$ 586,863</u>	<u>\$ 403,035</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 43,919	\$ 14,577
Other liabilities	<u>4,756</u>	<u>-</u>
Total liabilities	<u>48,675</u>	<u>14,577</u>
<b>Fund balances:</b>		
Reserved for prepaid items	\$ 25,715	\$ 35,620
Unreserved, undesignated	<u>512,473</u>	<u>352,838</u>
Total fund balances	<u>538,188</u>	<u>388,458</u>
Total liabilities and fund balances	<u>\$ 586,863</u>	<u>\$ 403,035</u>

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana  
General Fund

Comparative Statements of Revenues  
Years Ended December 31, 2003 and 2002

	2003	2002
Taxes:		
Hotel and motel tax	\$ 1,248,851	\$ 1,233,464
Fees and services:		
Memberships	36,380	48,252
Miscellaneous:		
Co-op programs	661	17,075
Interest	2,984	3,671
Cycle Zydeco	109,845	64,521
Other sources	54,489	43,256
	167,979	128,523
Total revenues	\$ 1,453,210	\$ 1,410,239

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana  
General Fund

Comparative Statements of Expenditures  
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Current:		
Culture and recreation:		
Personnel -		
Salaries	\$ 404,973	\$ 421,827
Payroll taxes	8,180	7,765
Hospitalization	50,909	48,730
Retirement	<u>47,797</u>	<u>51,595</u>
Total personnel	<u>511,859</u>	<u>529,917</u>
Administrative and public affairs -		
Collection - hotel and motel tax	5,041	5,862
Insurance and bonding	21,386	23,529
Telephone and telegraph	13,912	14,778
Utilities and sanitation service	12,943	11,110
Janitorial service	5,144	5,887
Equipment rental	3,153	1,293
Office supplies and equipment	30,821	26,241
Postage	36,526	37,324
Auto lease	11,545	8,502
Accounting	13,290	11,715
Legal and administrative advertising	2,142	1,909
Professional membership	12,847	13,810
Uniforms	1,545	858
Staff education	1,397	239
Web development	<u>25,733</u>	<u>27,592</u>
Total administrative and public affairs	<u>197,425</u>	<u>190,649</u>
Tourism program -		
Magazine and newspaper advertising	65,341	59,665
Outdoor advertising	21,656	22,617
Printed literature	36,779	51,980
Special promotional aids	13,030	7,050
News release and photography	100	-
Promotional - events, tours, shows	28,607	29,830
Services for visitors	5,910	5,883
Travel by staff	21,976	12,139

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana  
General Fund

Comparative Statements of Expenditures (Continued)  
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Auto gas and oil	\$ 602	\$ 1,569
Entertainment by staff	527	437
Professional memberships	2,049	1,311
Staff education	500	-
Total tourism program	<u>197,077</u>	<u>192,481</u>
Convention program -		
Magazine and newspaper advertising	44,544	44,551
Outdoor advertising	10,532	10,663
Printed literature	18,479	21,952
Specialty promotional aids	21,519	11,512
Promotional - events, tours, shows	18,224	10,321
Services for conventions and meetings	2,715	2,540
Travel by staff	23,541	32,794
Entertainment by staff and commissioner	-	574
Auto lease	2,272	6,937
Professional memberships	2,540	3,400
Staff education	500	-
Total convention program	<u>144,866</u>	<u>145,244</u>
Membership program -		
Entertainment by staff	-	120
Travel by staff	-	248
Printed literature	954	1,161
Professional memberships	132	309
Total membership program	<u>1,086</u>	<u>1,838</u>
Winter visitor marketing program -		
Magazine and newspaper advertising	9,095	10,165
Marketing	-	7,813
Promotional - events, tours, shows	1,327	1,550
Telephone and telegraph	1,538	192
Travel by staff	391	3,303
Total winter visitor marketing program	<u>12,351</u>	<u>23,023</u>

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana  
General Fund

Comparative Statements of Expenditures (Continued)  
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Film commission program -		
Film photo library	\$ -	\$ 1,330
Promotional - events, tours, shows	-	2,344
Video coordination	-	456
Total film commission program	<u>-</u>	<u>4,130</u>
Sports events -		
Printed literature	2,038	2,317
Promotional - events, tours, shows	18,442	12,982
Travel by staff	-	516
Cycle Zydeco	74,885	33,721
Total sports events	<u>95,365</u>	<u>49,536</u>
Gateway -		
Contributions to Gateway project	<u>52,500</u>	<u>57,000</u>
Festival promotion program -		
Printed literature	<u>17,777</u>	<u>22,248</u>
Local awareness -		
News release and photography	-	50
Printed literature	-	1,916
Promotional - events, tours, shows	985	225
Advertising	-	4,325
Travel & entertainment	-	995
Total local awareness program	<u>985</u>	<u>7,511</u>
Special projects -		
Advertising & promotional items	<u>8,000</u>	<u>16,000</u>

(continued)

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana  
General Fund

Comparative Statements of Expenditures (Continued)  
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Unplanned events -		
Office repairs & maintenance	\$ 35,594	\$ 44,444
 Total culture and recreation	 <u>1,274,885</u>	 <u>1,284,021</u>
Capital outlay -		
Equipment	<u>28,595</u>	<u>14,504</u>
 Total capital outlay	 <u>28,595</u>	 <u>14,504</u>
 Total expenditures	 <u>\$ 1,303,480</u>	 <u>\$ 1,298,525</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

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

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Comparative Statements of General Fixed Assets  
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
General fixed assets, at cost:		
Building	\$ 369,320	\$ 369,320
Equipment	267,309	249,066
Improvements	<u>35,712</u>	<u>35,712</u>
 Total general fixed assets	 <u>\$ 672,341</u>	 <u>\$ 654,098</u>
 Investment in general fixed assets	 <u>\$ 672,341</u>	 <u>\$ 654,098</u>

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

**Statement of Changes in General Fixed Assets**  
**Year Ended December 31, 2003**

	<u>Building</u>	<u>Equipment</u>	<u>Improvements</u>	<u>Total</u>
General fixed assets, beginning of year	\$369,320	\$249,066	\$ 35,712	\$654,098
<b>Additions:</b>				
General Fund revenues	<u>-</u>	<u>28,595</u>	<u>-</u>	<u>28,595</u>
Total balances and additions	369,320	277,661	35,712	682,693
<b>Deletions:</b>				
Assets traded or disposed of	<u>-</u>	<u>(10,352)</u>	<u>-</u>	<u>(10,352)</u>
General fixed assets, end of year	<u>\$369,320</u>	<u>\$267,309</u>	<u>\$ 35,712</u>	<u>\$672,341</u>

## GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Statement of General Long-Term Debt  
December 31, 2003

	<u>Accrued Compensated Absences</u>
<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF LONG-TERM DEBT</b>	
Amount to be provided from:	
Excess annual revenues	<u>\$ 4,399</u>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>	
Accrued compensated absences	<u>\$ 4,399</u>

INTERNAL CONTROL AND COMPLIANCE

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Conrad O. Chapman, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*

P.O. Box 250  
Breux Bridge, LA 70517

Phone (337) 332-4020  
Fax (337) 332-2867

WEB SITE:  
WWW.KCSRCPAS.COM

MEMBER OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Carter, CPA  
Allen J. LaBry, CPA  
Harry J. Clostio, CPA  
Penny Angelle Scruggins, CPA  
Christine L. Cousin, CPA  
Mary T. Thibodeaux, CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Cheryl L. Bartley, CPA, CVA

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

\* A Professional Accounting Corporation

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

We have audited the general purpose financial statements of the Lafayette Parish Convention and Visitors Commission as of and for the year ended December 31, 2003 and have issued our report thereon dated May 14, 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 Lafayette Parish Convention and Visitors Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no items of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Lafayette Parish Convention and Visitors Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Lafayette Parish Convention and Visitors Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition noted is described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 03-1.

183 South Beadle Road  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

113 East Bridge Street  
Breux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

408 W. Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

332 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition identified as item 03-1 in the schedule of prior and current audit findings and management's corrective action plan is a material weakness.

This report is intended for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
May 14, 2004

LAFAYETTE PARISH CONVENTION AND VISITORS COMMISSION  
Lafayette, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan  
Year Ended December 31, 2003

I. Prior Year Findings:

Compliance

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

Internal Control over Financial Reporting

02-1 – Inadequate Segregation of Accounting Duties

Finding:

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

Status:

Unresolved; See item 03-1.

Management Letter Items

There were no management letter items at December 31, 2002.

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

Compliance

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

Internal Control over Financial Reporting

03-1 – Inadequate Segregation of Accounting Duties

Finding:

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

Management Corrective Action Plan:

Mr. Gerald Breaux, Executive Director, has determined that it is not feasible to achieve adequate segregation of functions within the accounting system. No action is considered necessary.

Management Letter Items

There are no management letter items at December 31, 2003.