

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU

OF OUACHITA PARISH

WEST MONROE, LOUISIANA

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2011

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MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
DECEMBER 31, 2011

CONTENTS

	<u>PAGE</u>
Management's Discussion and Analysis.....	1-3
Independent Auditors' Report.....	4-5
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Assets.....	6
Statement of Activities.....	7
FUND FINANCIAL STATEMENTS:	
Balance Sheet - Governmental Funds.....	8
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	10-11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	12
Notes to Financial Statements.....	13-26
REQUIRED SUPPLEMENTAL INFORMATION:	
Budgetary Comparison Schedule - General Fund.....	27
Notes to Required Supplemental Information.....	28-29
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	30-31
Current Year Audit Findings.....	32-33
Corrective Action Plan Submitted by Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish.....	34
Prior Year Audit Findings Resolution.....	35



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish provides an overview of the Bureau's activities for the year ended December 31, 2011. Please read it in conjunction with the Bureau's financial statements.

### USING THIS ANNUAL REPORT:

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Bureau as a whole. The Statement of Cash Flows provides detail changes in cash during the year presented.

### THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES:

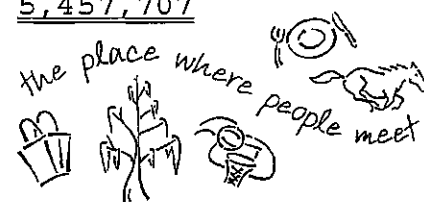
These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Bureau's net assets and changes in them. The Bureau's net assets - the difference between assets and liabilities - measure the Bureau's financial position. The increases or decreases in the Bureau's net assets are an indicator of whether its financial position is improving or deteriorating.

### THE BUREAU AS A WHOLE:

For the year ended December 31, 2011 net assets changed as follows:

Beginning Net Assets	5,222,071
Increase in Net Assets	<u>235,636</u>
Ending Net Assets	<u>5,457,707</u>



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

THE BUREAU'S FUNDS:

The following schedule presents a summary of revenues and expenditures for the fiscal year ended December 31, 2011.

<u>Revenue</u>	<u>Amount</u>	<u>Percent Of Total</u>
Hotel-Motel Occupancy Tax	1,208,273	48.80 %
Hotel-Motel Sales Tax	1,199,838	48.46 %
Interest Earned	2,130	.09 %
Special Events (Net)	( 1,177)	(.04) %
Gain (Loss) on Asset Disposition	-	-
Miscellaneous	<u>66,823</u>	<u>2.69 %</u>
<u>Total Revenues</u>	<u>2,475,887</u>	<u>100.00 %</u>
<u>Expenditures</u>		
Bureau	<u>2,240,251</u>	<u>100.00 %</u>

BUDGETARY HIGHLIGHTS:

The Bureau's total revenues in 2011 were more than the final budget by \$22,938. Actual expenditures for the Bureau in 2011 were less than the final budget by \$35,013. This variance reflects a moderate increase in sales tax and miscellaneous revenue during the last year and a decrease in community improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital Assets

At December 31, 2011, the Bureau had \$1,572,728 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table below).

Building and Improvements	1,138,068
Furniture, Fixtures and Equipment	284,223
Vehicles	49,604
Improvements	<u>100,833</u>
<u>Total</u>	<u>1,572,728</u>

Additions to Capital Assets during 2011 include a \$1,006 increase in Office Equipment and Furniture for a camera.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION: (Continued)

Debt

At year end, the Bureau had \$480,000 in refunding certificates of indebtedness outstanding with Regions Bank. The refunding certificates shall bear interest at a rate not to exceed six percent (6%) per annum, and shall mature in semi-annual installments due on November 1, 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

The Bureau's revenues are derived mainly from Hotel-Motel Occupancy and Sales Taxes. The Bureau does not anticipate any major increases or decreases in the taxes collected.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Bureau's finances and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish, 601 Constitution Avenue, West Monroe, Louisiana.



Alana Cooper  
Executive Director

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

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"The CPA. Never Underestimate The Value."

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- Accounting & Auditing
  - HUD Audits
  - Non-Profit Organizations
  - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 28, 2012

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Monroe-West Monroe Convention  
and Visitors Bureau of Ouachita Parish  
West Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities and fund information of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau), as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Bureau'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. Those 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish as of December 31, 2011, and the respective changes in financial position thereof 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 our report dated June 28, 2012, on our consideration of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 3 and 27 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2011

<u>ASSETS</u>	<u>Governmental Activities</u>
<u>CURRENT ASSETS</u>	
Cash	4,677,432
Accounts Receivable	478,165
Prepaid Expenses	<u>25,622</u>
<u>TOTAL CURRENT ASSETS</u>	<u>5,181,219</u>
<u>CAPITAL ASSETS</u>	
Non-Depreciable	50,000
Depreciable	<u>907,611</u>
<u>TOTAL CAPITAL ASSETS</u>	<u>957,611</u>
<u>TOTAL ASSETS</u>	<u>6,138,830</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	166,752
Accrued and Withhold Payroll Taxes	<u>34,371</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>201,123</u>
<u>DEBT LIABILITIES</u>	
Due Within One Year	235,000
Due in More Than One Year	<u>245,000</u>
<u>TOTAL DEBT LIABILITIES</u>	<u>480,000</u>
<u>TOTAL LIABILITIES</u>	<u>681,123</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Unrestricted	957,611
Unrestricted	<u>4,500,096</u>
<u>TOTAL NET ASSETS</u>	<u>5,457,707</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>6,138,830</u>

The accompanying notes are an integral part of these financial statements.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 STATEMENT OF ACTIVITIES  
 DECEMBER 31, 2011

<u>Function/Program</u> <u>Activities</u>	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Program Revenues</u> <u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
<u>Governmental</u> <u>Activities</u>					<u>Governmental</u> <u>Activities</u>
Government Activities:					
Personal Services	616,300	-	-	-	( 616,300)
Travel	48,426	-	-	-	( 48,426)
Operating Expenses	499,135	-	-	-	( 499,135)
Supplies	13,677	-	-	-	( 13,677)
Professional Services	50,220	-	-	-	( 50,220)
Other Charges	946,741	-	-	-	( 946,741)
Interest on Long-Term Debt	21,727	-	-	-	( 21,727)
Unallocated Depreciation	44,025	-	-	-	( 44,025)
<u>Total Governmental</u> <u>Activities</u>	<u>2,240,251</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(2,240,251)</u>
General Revenues:					
					1,208,273
Hotel-Motel Occupancy Tax					1,199,838
Hotel-Motel Sales Tax					66,823
Miscellaneous					-
Gain (Loss) on Asset Disposition					( 1,177)
Special Events (Net)					2,130
Interest Earned					-
					<u>2,475,887</u>
					<u>235,636</u>
					<u>5,222,071</u>
					<u>5,457,707</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 BALANCE SHEET-GOVERNMENTAL FUNDS  
 DECEMBER 31, 2011

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	4,677,432
Receivables (Net of Allowances for Uncollectibles)	478,165
Prepaid Expenses	<u>25,622</u>
<u>TOTAL ASSETS</u>	<u>5,181,219</u>
<u>LIABILITIES AND NET ASSETS</u>	
Accounts Payable	166,752
Accrued and Withhold Payroll Taxes	<u>34,371</u>
<u>TOTAL LIABILITIES</u>	<u>201,123</u>
<u>FUND BALANCE</u>	
Committed Funds	346,899
Unassigned Funds	<u>4,633,197</u>
<u>TOTAL FUND BALANCE</u>	<u>4,980,096</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>5,181,219</u>

The accompanying notes are an integral part of these financial statements.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2011

<u>Total Governmental Fund Balances</u>	4,980,096
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	957,611
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	( <u>480,000</u> )
<u>Net Assets of Governmental Activities</u>	<u>5,457,707</u>

The accompanying notes are an integral part of these financial statements.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>
<u>REVENUES</u>	
Hotel - Motel Occupancy Tax	1,208,273
Hotel - Motel Sales Tax Rebate	1,199,838
Miscellaneous Revenues	66,823
Gain (Loss) on Asset Disposition	-
Special Events	( 1,177)
Interest	<u>2,130</u>
<u>TOTAL REVENUES</u>	<u>2,475,887</u>
<u>EXPENDITURES</u>	
Personal Services	
Salaries - Regular	465,821
FICA Taxes	8,776
Retirement Fund Expense	68,417
Unemployment Benefits	1,203
Other Related Benefits	72,083
Travel	
Travel and Convention Solicitation	31,241
Gasoline and Related Expenses	10,500
Auto Repairs and Maintenance	6,685
Operating Expenses	
Advertising	167,937
Convention Services	97,674
Printing	8,967
Insurance, Other Than Personal	28,563
Maintenance of Property and Equipment	26,645
Rentals and Related Expense	26,323
Dues and Subscriptions	8,985
Postage	9,867
Telephone	10,563
Other Operating Expenses	61,586
Utilities	14,170
Professional Organizations	37,855
Supplies	
Office Supplies	5,401
Operating Services	8,276
Professional Services	
Accounting and Auditing	9,975
Legal and Other Professional Services	40,245

The accompanying notes are an integral part of these financial statements.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>
<u>EXPENDITURES</u> (Continued)	
Other Charges	
Miscellaneous Charges	4,012
Collection Fees (Statutory Charges)	4,000
Special Promotions and Community Improvement	938,729
Capital Outlays	
Furniture, Fixtures and Equipment	1,006
- Vehicles	-
Debt Service	
Bond Principal Payments	225,000
Interest	<u>21,727</u>
<u>TOTAL EXPENDITURES</u>	<u>2,422,232</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</u> <u>EXPENDITURES</u>	<u>53,655</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
None	<u>-</u>
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>-0-</u>
<u>NET CHANGE IN FUND BALANCE</u>	53,655
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>4,926,441</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>4,980,096</u>

The accompanying notes are an integral part of these financial statements.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Net Changes in Total Governmental Fund</u>	53,655
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*Amounts reported for governmental activities in the:*

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	1,006
Depreciation expense	( 44,025)
	( 43,019)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net assets.	225,000
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<u>Total Changes in Net Assets</u>	<u>235,636</u>
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The accompanying notes are an integral part of these financial statements.



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity Information:

The Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau) was formed and created as a tourist commission for the purpose of the promotion of tourism within the Parish of Ouachita by an ordinance of the Police Jury of the Parish of Ouachita in 1976. There are eleven board members appointed by the Ouachita Parish Police Jury. The board members are not compensated or paid a per diem. On June 8, 1995 pursuant to Article VI, Section 19 and 30 of the Constitution of Louisiana, the Bureau was specifically created as a special district and shall from that point on be a political subdivision of the State of Louisiana.

The Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish was a component unit of the Ouachita Parish Police Jury, the governing body of the Parish until June 8, 1995 as noted above. The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the police jury, or any other governmental unit.

The major sources of revenue for the Bureau are from hotel - motel sales taxes collected in Ouachita Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity Information: (Continued)

The Bureau is an entity administered by a Board of Directors (Board) that acts as the authoritative and legislative body of the entity. The Board is comprised of eleven board members. Officers are elected by the Board. Each officer serves a term of one year; there are no term limits for reappointment. No board members receive compensation for serving on the Board, except for the Executive Director.

The Board of Directors annually appoints the Chairperson of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board, be the chief officer of the Bureau, perform all duties commonly incident to the position of presiding officer of a board or business organization and exercise supervision over the business of the Bureau, its officers and employees.

Basis of Presentation

In June 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include a Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

*Government-Wide Financial Statements* - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when they are both

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

measurable and available and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues are considered to be available when they are collectible within the current period, the Bureau considers revenues to be available if they are collected within sixty days of the end of the current fiscal year end.

*Governmental Fund Financial Statements* - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the Bureau considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual are interest on investments and sales taxes. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

The financial activities of the Bureau are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Bureau uses fund accounting to report on its financial position and results of 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.

Governmental Funds

*General Fund* - This fund accounts for all activities of the Bureau not specifically required to be accounted for in other funds. Included are transactions to promote tourism in Ouachita Parish. The Bureau has no other funds.

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Equity

- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2011.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in governmental funds. General Fixed Assets purchased are recorded at time of purchase. Such assets are capitalized at cost. Gifts or contributions are recorded at fair market value at the time received. Depreciation has been provided on general fixed assets using the straight-line method of depreciation over their estimated useful lives, ranging from five to eight years for furniture and equipment and ten to thirty-nine years for leasehold improvements and buildings.

All capital assets are capitalized at cost and updated for additions and retirements during the year. The Bureau maintains a capitalization threshold of \$1,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Cash and Cash Equivalents

Cash received by the Bureau is mainly deposited in local financial institutions with excess cash invested in short-term investments.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents (Continued)

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments.

Compensated Absences

Only permanent full-time employees are entitled to vacation and sick leave. Vacation not taken during a calendar year cannot be carried forward to the following year. Sick leave not taken can be carried forward for one year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS:

At December 31, 2011, the Bureau had cash and cash equivalents totaling \$4,677,432 as follows:

Category 1	603,567
Category 2	-
Category 3	<u>4,073,865</u>
<u>TOTAL</u>	<u>4,677,432</u>

Deposits with financial institutions are classified into one of the following three categories:

1. Category 1 - Insured or collateralized, with securities held by the entity or by its agent in the entity's name.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

2. Category 2 - Collateralized, with securities held by the pledging financial institution's trust department or agent in the entity's name.
3. Category 3 - Uncollateralized. Includes any bank balance collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.

These deposits are stated at cost, which approximates market and are secured from risk by federal deposit insurance. At December 31, 2011, the Bureau had \$4,073,865 in the bank that was insured with additional coverage through pledged securities. Time deposits include an investment of \$2,526 in the Louisiana Asset Management Pool (LAMP) and \$119,443 in certificates of deposit with Regions Bank.

LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana (such as parishes, school boards, police juries and sheriffs, among others) to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. LAMP is a cooperative endeavor formed, in part, in reliance upon Opinion No. 92-192 (March 31, 1992) issued by the Attorney General of the State of Louisiana. That opinion provides, in part, that public entities may pool funds for investment purposes.

NOTE 3 - RECEIVABLES:

The following is a summary of receivables at December 31, 2011:

<u>Class of Receivable</u>	<u>General Fund</u>
Hotel-Motel Sales Tax Rebate	284,317
Hotel-Motel Sales Tax Revenue	180,405
Miscellaneous	<u>13,443</u>
<u>TOTAL</u>	<u>478,165</u>

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 - RECEIVABLES: (Continued)

Management has determined that all receivables are deemed collectible and no allowance for doubtful accounts is necessary. Management reviews receivables monthly for any doubtful receivables.

NOTE 4 - FIXED ASSET ACTIVITY:

Capital asset activity for the year ended December 31, 2011 is as follows:

	December 31, 2010			December 31, 2011
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Non-Depreciable Assets:			-	
Land	50,000	-	-	50,000
Depreciable Assets:			-	
Building	1,138,068	-	-	1,138,068
Office Equipment and Furniture	274,218	1,006	-	275,224
Furniture & Fixtures	8,999	-	-	8,999
Vehicles	49,604	-	-	49,604
Improvements	100,833	-	-	100,833
Totals at Historical Cost	<u>1,621,722</u>	<u>1,006</u>	<u>-0-</u>	<u>1,622,728</u>
Less Accumulated Depreciation For:				
Building	306,402	29,182	-	335,584
Office Equipment & Furniture	257,254	5,073	-	262,327
Furniture & Fixtures	9,002	-	-	9,002
Vehicles	28,267	3,048	-	31,315
Improvements	20,167	6,722	-	26,889
Total Accumulated Depreciation	<u>621,092</u>	<u>44,025</u>	<u>-0-</u>	<u>665,117</u>
<u>CAPITAL ASSETS, NET</u>	<u>1,000,630</u>	<u>(43,019)</u>	<u>-0-</u>	<u>957,611</u>

Depreciation expense for the depreciable capital assets was \$44,025.



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - PENSION PLAN:

Substantially all employees of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Bureau are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the system. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504)928-1361.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - PENSION PLAN: (Continued)

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Bureau is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Bureau are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Bureau's contributions to the System under Plan A for the year ending December 31, 2011 was \$68,417, equal to the required contributions for the year.

NOTE 6 - COMMITTED NET ASSETS:

The Board of Directors, the Bureau's highest level of decision making authority, has committed net assets, by adoption of a board resolution, for use in future years for tourism in Ouachita Parish. The breakdown of the designated amounts is as follows:

Commitments Related to 2004 Series Bond Issue

Northeast Louisiana Delta African-American Museum	<u>13,779</u>
<u>Total</u>	<u>13,779</u>

Additional board of directors committed net assets are as follows:

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - COMMITTED NET ASSETS: (Continued)

River Walk Park Development	140,000
University of Louisiana/University Park	100,000
American Bike Association/BMX	10,500
Downtown Artfest	625
Friends of Chenault Aviation & Military Museum	6,197
Louisiana Cattleman's Association	4,000
Louisiana Assn. of Extension 4-H Agents	750
Monroe Advocates for Safe Streets	1,500
Strauss Theater Center	628
Twin Cities' Krewe of Janus	6,000
Mardi Gras Parade Advertising	20,000
Twin City Ballet Company	5,000
2010 Thru 2012 National Archery Tournament	4,091
By-Ways Cooperative Endeavor with Shreveport/Bossier	8,829
LHSAA Boys Semi-Final Basketball Tournament	25,000
<u>Total</u>	<u>333,120</u>

NOTE 7 - LONG-TERM OBLIGATIONS:

On March 31, 2004, general obligation bonds were issued in the amount of \$2,000,000. In order to obtain a reduced interest rate of 3.05%, the bonds were issued to provide funds for various tourism projects as per the cooperative agreements and will be repaid from the proceeds of a 4% sales and use tax on the occupancy of hotel and motel rooms in the parish.

Details are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
General Obligation Refunding Bonds					
Series 2004	705,000	-0-	225,000	480,000	235,000
<u>Total</u>	<u>705,000</u>	<u>-0-</u>	<u>225,000</u>	<u>480,000</u>	<u>235,000</u>

Payments on the bonds payable that pertain to the Bureau's governmental activities are made by the debt service fund.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - LONG-TERM OBLIGATIONS: (Continued)

Principal and interest requirements to retire the Bureau's bonds payable obligation are as follows:

	<u>Principal</u>	<u>Interest</u>
2012	235,000	14,640
2013	245,000	7,473
2014	-0-	-0-
2015	-0-	-0-
2016	-0-	-0-

Interest paid during 2011 was \$21,727.

NOTE 8 - EMPLOYMENT CONTRACT:

The Board of Directors voted to grant the Executive Director a three-year employment contract in July of 2011. The three-year contract offers a 3% annual raise.

NOTE 9 - RISK MANAGEMENT:

The Bureau is exposed to various risks of loss related to torts, theft, damage or destruction of assets, employee injuries, natural disaster and other claims in its normal course of business. The Bureau has obtained insurance coverage to reduce its risk in the event of a loss. The Bureau has had no significant reduction in insurance coverage from prior years and has had no settlement that exceeds insurance coverage during the past three years.

NOTE 10 - SPECIAL EVENTS:

Special events held during the year consisted of an AAU Regional Basketball Tournament. Details of this event are as follows:

	<u>AAU Basketball S. Regional Tournament</u>
Income	5,415
Expenses	(6,592)
<u>Net</u>	<u>(1,177)</u>

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 11 - CONDUIT DEBT OBLIGATIONS:

During 2007, the Bureau participated in the issuance of certain private activity bonds for the Biedenharn Museum and Gardens (a Louisiana not-for-profit organization). These bonds are not a direct or contingent liability of the Bureau. Revenues from the Biedenharn Museum and Gardens are pledged for the total payment of the bond's principal and interest. Bond holders can only look to those sources for repayment. The principal amount, issued and outstanding, at December 31, 2011 is \$2,930,000. Payments on bond principal and interest are current.

NOTE 12 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Bureau reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 13 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Bureau through June 28, 2012, the date the report was available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 14 - UNCERTAIN TAX POSITIONS:

The Bureau is subject to examination by various taxing authorities. Management has reviewed the Bureau's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Resources (Inflows):</u>				
Hotel-Motel Occupancy Tax	1,220,000	1,205,662	1,208,273	2,611
Hotel-Motel Sales Tax Rebate	1,250,000	1,190,959	1,199,838	8,879
Miscellaneous Revenues	45,000	55,568	66,823	11,255
Special Events (Net)	( 1,500)	( 1,177)	( 1,177)	-
Gain (Loss) on Asset Disposition	-	-	-	-
Interest	1,800	1,937	2,130	193
Amounts Available for Appropriation	<u>2,515,300</u>	<u>2,452,949</u>	<u>2,475,887</u>	<u>22,938</u>
 <u>Charges to Appropriations</u>				
<u>(Outflows):</u>				
Personal Services	621,792	616,268	616,300	32
Travel	42,785	53,060	48,426	( 4,634)
Operating Expenses	589,309	517,833	499,135	(18,698)
Supplies	10,700	9,407	13,677	4,270
Professional Services	33,050	48,799	50,220	1,421
Other Charges	1,030,575	964,146	946,741	(17,405)
Capital Outlays	39,960	8,045	1,006	( 7,039)
Bond Principal Payments	225,000	225,000	225,000	-
Interest on Long-Term Debt	21,502	21,726	21,727	1
Total Charges to Appropriations	<u>2,614,673</u>	<u>2,464,284</u>	<u>2,422,232</u>	<u>(42,052)</u>
 <u>Excess of Reserves</u>				
<u>Over (Under) Expenditures</u>	( 99,373)	( 11,335)	53,655	64,990
 <u>Other Financing Sources</u>				
<u>(Uses)</u>				
Proceeds of Bond Asset	-	-	-	-
<u>Net Other Financing Sources (Uses)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 <u>Excess of Revenues and Sources Over (Under) Expenditures and Uses</u>				
	( 99,373)	( 11,335)	53,655	64,990
 <u>Fund Balance at Beginning of Year</u>				
	<u>4,926,441</u>	<u>4,926,441</u>	<u>4,926,441</u>	<u>-0-</u>
 <u>FUND BALANCE AT END OF YEAR</u>				
	<u>4,827,068</u>	<u>4,915,106</u>	<u>4,980,096</u>	<u>64,990</u>

The accompanying notes are an integral part of these financial statements.



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2011

NOTE 1 - BUDGETARY PROCESS

The Executive Director submits an annual budget to the Board of Directors in accordance with Louisiana law and regulation. The Board of Directors then reviews the budget and may make changes to revenues and/or expenditures as they deem needed. The Board of Directors approves the budget. Budget modification may be made throughout the year with approval of the Board of Directors.

1. Estimated Resources

As part of the Bureau's budgetary process, the Board approves the official estimated resources. The official estimated resources states the projected revenue of the organization. Prior to December 31, the Bureau must revise its budget so that the total contemplated expenditures during the ensuing fiscal year will not exceed the amount available as stated in the official estimated resources. Estimated resources may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2011.

2. Appropriations/Expenditures

An annual appropriation resolution must be adopted by the Board of Directors. The appropriation resolution fixes spending authority at the fund and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources. Also, the allocation of appropriations among objects within a fund may be modified during the year by a resolution of the Board. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriations in the first complete appropriated budget. The amounts reported as final budgeted amounts in the schedules of budgetary comparison represent the final appropriation amounts, including all supplemental appropriations.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2011

NOTE 1 - BUDGETARY PROCESS (Continued)

3. Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be re-appropriated.

4. Budgetary Basis of Accounting

The Bureau's budgetary process accounts for transactions on a GAAP basis by fund.

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

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June 28, 2012

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

Board of Directors  
Monroe-West Monroe Convention  
and Visitors Bureau of Ouachita Parish  
West Monroe, Louisiana

We have audited the financial statements of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish as of and for the year ended December 31, 2011, and have issued our report thereon dated June 28, 2012. 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.

### Internal Control Over Financial Reporting

Management of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect

and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of current year findings, that we consider to be a significant deficiency in internal control over financial reporting as Item 11-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance

As part of obtaining reasonable assurance about whether the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We did not audit the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish's response to the findings identified in our audit as described in the accompanying schedule of findings and questioned costs and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, as well as the state of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
CURRENT YEAR AUDIT FINDINGS  
DECEMBER 31, 2011

FINANCIAL STATEMENT FINDINGS

Internal Control

11-1

Criteria: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Bureau's annual financial statements. This condition is intentional by management based upon the Bureau's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Auditing standards require that we report the above condition as a control deficiency. The standards do not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Conditions: Proper internal controls under professional accounting standards require management to prepare the Bureau's annual financial statements.

Effect: This finding has no material effect on the financial statements.

Cause: It is not cost effective for the Bureau to cure this control deficiency.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
CURRENT YEAR AUDIT FINDINGS (CONTINUED)  
DECEMBER 31, 2011

FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

11-1 (Continued)

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying professional standard reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and, accordingly, do not believe any corrective action is necessary.

Reply: Management agrees with this finding.

Compliance

N/A



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CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2011

FINANCIAL STATEMENT FINDINGS

A. Comments on Findings and Recommendations

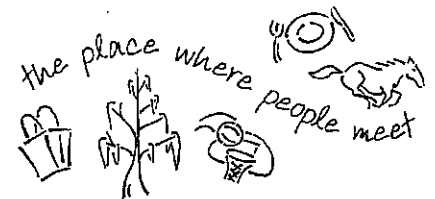
Management agrees with the finding concerning the preparation of the financial statements.

B. Actions Taken or Planned

No action is necessary regarding the finding on the preparation of the financial statements as this is not cost effective to correct.

C. Status of Corrective Action on Prior Findings

Uncleared. It is not cost effective to cure the finding concerning the preparation of the financial statements.



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
PRIOR YEAR AUDIT FINDINGS  
DECEMBER 31, 2011

FINANCIAL STATEMENT FINDINGS - PRIOR YEAR

10-1

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Bureau's annual financial statements. This condition is intentional by management based upon the Bureau's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Status: Uncleared. It is not cost effective to cure this finding.