

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, 2012

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 SEP 25 2013

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
DECEMBER 31, 2012

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"The CPA. Never Underestimates The Value."

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- Bookkeeping & Payroll Services

June 28, 2013

## INDEPENDENT AUDITORS' REPORT

To the Board Members of the  
Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish  
West Monroe, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bureau as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and 32 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.

**Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of the Bureau's internal control over financial reporting and on 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 *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

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

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
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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 (the Bureau) provides an overview of the Bureau's activities for the year ended December 31, 2012. 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 Position and the Statement of Activities provide information about the activities of the Bureau as a whole.

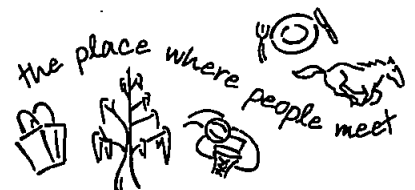
#### NEW ACCOUNTING PRONOUNCEMENT IMPLEMENTED:

The Bureau implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in fiscal year 2012. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from "net assets" to "net position".

#### THE STATEMENT OF NET POSITION 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 position and changes in it. The Bureau's net position - the difference between assets and liabilities - measures the Bureau's financial position. The increases or decreases in the Bureau's net position are an indicator of whether its financial position is improving or deteriorating.



**MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

THE BUREAU AS A WHOLE:

Net position December 31, 2012

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Current and Other Assets	5,854,132	5,181,219	672,913
Capital Assets, Net	916,918	957,611	( 40,693)
Total Assets	<u>6,771,050</u>	<u>6,138,830</u>	<u>632,220</u>
Current and Other Liabilities	224,291	201,123	23,168
Noncurrent Liabilities	245,000	480,000	(235,000)
Total Liabilities	<u>469,291</u>	<u>681,123</u>	<u>(211,832)</u>
Net Position			
Net Investment in Capital Assets	916,918	957,611	( 40,693)
Unrestricted	5,384,841	4,500,096	884,745
Total Net Position	<u>6,301,759</u>	<u>5,457,707</u>	<u>844,052</u>

For the year ended December 31, 2012, net position changed as follows:

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Beginning Net Position	5,457,707	5,222,071	235,636
Increase in Net Position	844,052	235,636	608,416
Ending Net Position	<u>6,301,759</u>	<u>5,457,707</u>	<u>844,052</u>

THE BUREAU'S FUNDS:

The following schedule presents a summary of revenues and expenditures for the fiscal year ended December 31, 2012.

	<u>2012</u>	<u>Percent</u>	<u>2011</u>	<u>Variance</u>
	<u>Amount</u>	<u>Of Total</u>	<u>Amount</u>	
<u>Revenue</u>				
Hotel-Motel Occupancy Tax	1,331,986	48.72 %	1,208,273	123,713
Hotel-Motel Sales Tax	1,292,038	47.26 %	1,199,838	92,200
Interest Earned	2,207	.08 %	2,130	77
Special Events (Net)	( 16,327)	(.59) %	( 1,177)	( 15,150)
Gain (Loss) on Asset Disposition	-	-	-	-
Miscellaneous	124,141	4.53 %	66,823	57,318
<u>Total Revenues</u>	<u>2,734,045</u>	<u>100.00 %</u>	<u>2,475,887</u>	<u>258,158</u>
<u>Expenses</u>				
Personal Services	636,333		616,300	20,033
Travel	64,167		48,426	15,741
Operating Expenses	627,418		499,135	128,283
Supplies	15,169		13,677	1,492
Professional Services	47,145		50,220	( 3,075)
Other Charges	442,367		946,741	(504,374)
Interest	14,808		44,025	( 29,217)
Depreciation	42,586		21,727	20,859
<u>Total Expenditures</u>	<u>1,889,993</u>	<u>100.00 %</u>	<u>2,240,251</u>	<u>350,258</u>

**MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**BUDGETARY HIGHLIGHTS:**

The Executive Director prepares the annual budget which is based on what is expected to be collected during the fiscal year and is then approved by the Board of Commissioners. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment.

The Bureau's total revenues in 2012 were more than the final budget by \$86,050. Actual expenditures for the Bureau in 2012 were less than the final budget by \$357,690. 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, 2012, the Bureau had \$1,574,621 invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table below).

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Building and Improvements	1,138,068	1,138,068	-0-
Furniture, Fixtures and Equipment	286,116	284,223	1,893
Vehicles	49,604	49,604	-0-
Improvements	<u>100,833</u>	<u>100,833</u>	<u>-0-</u>
<u>Total</u>	<u>1,574,621</u>	<u>1,572,728</u>	<u>1,893</u>

Additions to Capital Assets during 2012 include a \$1,893 increase in Office Equipment and Furniture for copier equipment.

**Debt**

At year end, the Bureau had \$245,000 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. During 2012, the conduit debt of the Biedenharn Museum was paid off.



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH

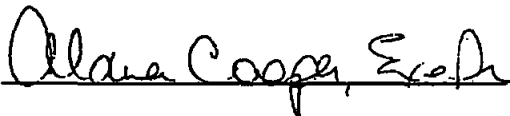
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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 POSITION  
 DECEMBER 31, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	5,309,259
Accounts Receivable	527,224
Prepaid Expenses	<u>17,649</u>
<u>TOTAL CURRENT ASSETS</u>	<u>5,854,132</u>
<u>CAPITAL ASSETS</u>	
Non-Depreciable	50,000
Depreciable	<u>866,918</u>
<u>TOTAL CAPITAL ASSETS</u>	<u>916,918</u>
<u>TOTAL ASSETS</u>	<u>6,771,050</u>
<u>LIABILITIES AND NET POSITION</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	189,760
Accrued and Withhold Payroll Taxes	<u>34,531</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>224,291</u>
<u>DEBT LIABILITIES</u>	
Due Within One Year	245,000
Due in More Than One Year	<u>-</u>
<u>TOTAL DEBT LIABILITIES</u>	<u>245,000</u>
<u>TOTAL LIABILITIES</u>	<u>469,291</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets, Unrestricted	916,918
Unrestricted	<u>5,384,841</u>
<u>TOTAL NET POSITION</u>	<u>6,301,759</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  
 FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Function/Program</u>	<u>Expenses</u>	<u>Charges for</u>	<u>Program Revenues</u>	<u>Capital</u>	<u>Net (Expense)</u>
<u>Activities</u>		<u>Services</u>	<u>Operating</u>	<u>Grants and</u>	<u>Revenue and</u>
			<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Government Activities:					
Personal Services	636,333	-	-	-	( 636,333)
Travel	64,167	-	-	-	( 64,167)
Operating Expenses	643,745	-	-	-	( 643,745)
Supplies	15,169	-	-	-	( 15,169)
Professional Services	47,145	-	-	-	( 47,145)
Other Charges	442,367	-	-	-	( 442,367)
Interest on Long-Term Debt	14,808	-	-	-	( 14,808)
Unallocated Depreciation	<u>42,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 42,586)</u>
<u>Total Governmental Activities</u>	<u>1,906,320</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,906,320)</u>
General Revenues:					
					1,331,986
					1,292,038
					124,141
					<u>2,207</u>
					<u>2,750,372</u>
					844,052
					<u>5,457,707</u>
					<u>6,301,759</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, 2012

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	5,309,259
Receivables (Net of Allowances for Uncollectibles)	527,224
Prepaid Expenses	<u>17,649</u>
<u>TOTAL ASSETS</u>	<u>5,854,132</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Accounts Payable	189,760
Accrued and Withhold Payroll Taxes	<u>34,531</u>
<u>TOTAL LIABILITIES</u>	<u>224,291</u>
<u>FUND BALANCE</u>	
Committed Funds	550,652
Unassigned Funds	5,061,540
Nonspendable	<u>17,649</u>
<u>TOTAL FUND BALANCE</u>	<u>5,629,841</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>5,854,132</u>

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

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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012

<u>Total Governmental Fund Balances</u>	5,629,841
<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.	916,918
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>245,000</u> )
<u>Net Position of Governmental Activities</u>	<u>6,301,759</u>

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

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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 REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

<u>REVENUES</u>	<u>General Fund</u>
Taxes	
Occupancy Tax	1,331,986
Sales Tax	1,292,038
Other	124,141
Interest	<u>2,207</u>
<u>TOTAL REVENUES</u>	<u>2,750,372</u>
<u>EXPENDITURES</u>	
Personal Services	
Salaries - Regular	477,535
FICA Taxes	8,646
Retirement Fund Expense	70,952
Unemployment Benefits	589
Other Related Benefits	78,611
Travel	
Travel and Convention Solicitation	51,083
Gasoline and Related Expenses	9,424
Auto Repairs and Maintenance	3,660
Operating Expenses	
Advertising	193,135
Convention Services	89,311
Printing	9,062
Insurance, Other Than Personal	39,014
Maintenance of Property and Equipment	38,728
Rentals and Related Expense	27,012
Dues and Subscriptions	11,955
Postage	9,390
Telephone	12,308
Other Operating Expenses	146,663
Utilities	12,540
Professional Organizations	38,300
Supplies	
Office Supplies	6,104
Operating Services	9,065
Professional Services	
Accounting and Auditing	9,975
Legal and Other Professional Services	37,170

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

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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 REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>General Fund</u>
<u>EXPENDITURES</u> (Continued)	
Other Charges	
Miscellaneous Charges	1,095
Collection Fees (Statutory Charges)	4,000
Special Promotions and Community Improvement	437,272
Loss on Special Events	16,327
Capital Outlays	
Furniture, Fixtures and Equipment	1,893
- Vehicles	-
Debt Service	
Bond Principal Payments	235,000
Interest	14,808
<u>TOTAL EXPENDITURES</u>	<u>2,100,627</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</u> <u>EXPENDITURES</u>	<u>649,745</u>
 <u>OTHER FINANCING SOURCES (USES)</u>	
None	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>-0-</u>
<u>NET CHANGE IN FUND BALANCE</u>	649,745
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>4,980,096</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>5,629,841</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  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Resources (Inflows):</b>				
Hotel-Motel Occupancy Tax	1,200,000	1,292,724	1,331,986	39,262
Hotel-Motel Sales Tax Rebate	1,250,000	1,243,302	1,292,038	48,736
Miscellaneous Revenues	51,000	127,021	124,141	( 2,880)
Interest	1,500	1,808	2,207	399
<b>Amounts Available for Appropriation</b>	<b>2,502,500</b>	<b>2,664,855</b>	<b>2,750,372</b>	<b>85,517</b>
<b>Charges to Appropriations (Outflows):</b>				
Personal Services	645,836	634,626	636,333	( 1,707)
Travel	56,686	63,285	64,167	( 882)
Operating Expenses	655,514	667,667	627,418	40,249
Supplies	20,000	7,491	15,169	( 7,678)
Professional Services	41,000	51,451	47,145	4,306
Other Charges	805,300	753,212	442,367	310,845
Capital Outlays	44,000	14,450	1,893	12,557
Bond Principal Payments	235,000	235,000	235,000	-
Interest on Long-Term Debt	14,640	14,808	14,808	-
Special Events	1,200	16,860	16,327	533
<b>Total Charges to Appropriations</b>	<b>2,519,176</b>	<b>2,458,850</b>	<b>2,100,627</b>	<b>358,223</b>
<b>Excess of Reserves Over (Under) Expenditures</b>	<b>( 16,676)</b>	<b>206,005</b>	<b>649,745</b>	<b>443,740</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Bond	-	-	-	-
Asset	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Excess of Revenues and Sources Over (Under) Expenditures and Uses</b>	<b>( 16,676)</b>	<b>206,005</b>	<b>649,745</b>	<b>443,740</b>
<b>Fund Balance at Beginning of Year</b>	<b>4,980,096</b>	<b>4,980,096</b>	<b>4,980,096</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>4,963,420</b>	<b>5,186,101</b>	<b>5,629,841</b>	

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 THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Net Changes in Total Governmental Fund</u>	649,745
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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	1,893
Depreciation expense	( 42,586)
	<u>( 40,693)</u>

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.	235,000
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<u>Total Changes in Net Position</u>	<u>844,052</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, 2012

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, 2012

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.

The Bureau adopted Governmental Accounting Standards Board (GASB) Statement No. 61 during the year ended December 31, 2012. This statement relates to determining whether certain organizations are component units of other governments. The Bureau has determined that it has no potential component units that should be included in its financial statements. The Bureau also believes it is not a component unit of any other government.

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Basis of Presentation (Continued)

The Bureau implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in fiscal year 2012. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. A change in terminology from "net assets" to "net position" is shown in the accompanying financial statements.

The Bureau has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Bureau did not have any deferred outflows of resources or deferred inflows of resources at December 31, 2012.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

*Government-Wide Financial Statements* - The government-wide financial statements display information on all the financial activities of the Bureau. 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 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

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

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. The Bureau does not use encumbrance accounting. Modifications to the accrual basis of accounting include:

- Interest on general long-term obligations is recognized when paid.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

- Debt service expenditures are recorded only when payment is due.
- Claims, judgments and compensated absences are recorded when the payment is due.

Fund Accounting

The Bureau reports the following fund types:

Governmental Funds

Governmental Funds are those through which governmental functions of the Bureau are financed. The acquisition, use and balances of the Bureau's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Bureau:

General Fund - The General Fund is the general operating fund of the Bureau. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is the Bureau's only major fund.

Net Position and Fund Equity

GASB Statement No. 34, *Basic Financial-Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

Net Position and Fund Equity (Continued)

and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

Net Position and Fund Equity (Continued)

assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position** - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Bureau adopted GASB 54 for the year ended December 31, 2012. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable** - These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** - These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed** - These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision making authority for the Bureau.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

Net Position and Fund Equity (Continued)

- **Assigned** - These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned** - These are all other expendable amounts. This also includes expenditures amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned to those purposes.

The Bureau's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Cash and Cash Equivalents

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

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.

Budget

The Bureau utilizes the following budgetary practices:

The Executive Director of the Bureau prepares the annual budget, which is based on what is expected to be collected during the fiscal year, and the budget is approved by the Board. The adopted budget constitutes the authority of the Bureau to incur liabilities and authorize expenditures from the respective budgeted funds. Additionally, certain expenditures are approved monthly by the Board before payment. All budget amounts presented in

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Budget (Continued)

the financial statements have been adjusted for legally authorized revisions of annual budget during the year. Appropriations lapse at the end of each year.

Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) and presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. The budget was amended once during the year.

NOTE 2 - DEPOSITS AND INVESTMENTS:

At December 31, 2012, the Bureau had cash and cash equivalents totaling \$5,309,259 as follows:

Category 1	1,233,345
Category 2	-
Category 3	<u>4,075,914</u>
<u>TOTAL</u>	<u>5,309,259</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.
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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

These deposits are stated at cost, which approximates market and are secured from risk by federal deposit insurance. At December 31, 2012, the Bureau had \$5,190,777 in the bank that was insured with additional coverage through pledged securities. Time deposits include an investment of \$2,529 in the Louisiana Asset Management Pool (LAMP) and \$119,593 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.

The Bureau's policies do not address custodial credit risk or interest rate risk.

NOTE 3 - RECEIVABLES:

The following is a summary of receivables at December 31, 2012:

<u>Class of Receivable</u>	<u>General Fund</u>
Hotel-Motel Sales Tax Rebate	189,501
Hotel-Motel Sales Tax Revenue	317,685
Miscellaneous	<u>20,038</u>
<u>TOTAL</u>	<u>527,224</u>

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - FIXED ASSET ACTIVITY:

Capital asset activity for the year ended December 31, 2012 is as follows:

	December 31, 2011 <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	December 31, 2012 <u>Balance</u>
Non-Depreciable Assets:			-	
Land	50,000	-	-	50,000
Depreciable Assets:				
Building	1,138,068	-	-	1,138,068
Office Equipment and Furniture	275,224	1,893	-	277,117
Furniture & Fixtures	8,999	-	-	8,999
Vehicles	49,604	-	-	49,604
Improvements	<u>100,833</u>	-	-	<u>100,833</u>
Totals at Historical Cost	<u>1,622,728</u>	<u>1,893</u>	<u>-0-</u>	<u>1,624,621</u>
Less Accumulated Depreciation For:				
Building	335,584	29,182	-	364,766
Office Equipment & Furniture	262,327	3,634	-	265,961
Furniture & Fixtures	9,002	-	-	9,002
Vehicles	31,315	3,048	-	34,363
Improvements	<u>26,889</u>	<u>6,722</u>	-	<u>33,611</u>
Total Accumulated Depreciation	<u>665,117</u>	<u>42,586</u>	<u>-0-</u>	<u>707,703</u>
<u>CAPITAL ASSETS, NET</u>	<u>957,611</u>	<u>(40,693)</u>	<u>-0-</u>	<u>916,918</u>

Depreciation expense for the depreciable capital assets was \$42,586.

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - PENSION PLAN: (Continued)

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.

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



MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - PENSION PLAN: (Continued)

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, 2012 was \$70,952, 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 committed amounts is as follows:

River Market Development	140,000
University of Louisiana/University Park	60,000
City of Monroe/Ike Hamilton Scoreboard	20,000
Downtown River Market	22,608
Friends of Chennault Aviation & Military Museum	6,197
Louisiana Cattleman's Association	3,000
FLW, LLC Ever Start Fishing Tournament	2,249
ULM University Park Baseball Fields	2,500
BMX Association 2013-2015	30,000
Chennault Aviation & Military Museum	13,720
ULM Athletic Department	150,000
Strauss Theater Center	628
Twin Cities' Krewe of Janus	11,000
Mardi Gras Parade Advertising	20,000
Twin City Ballet Company	3,750
2013 - 2015 National Archery Tournament	36,000
Louisiana Purchase Zoological Society/Brochure	4,000
LHSAA Boys Semi-Final Basketball Tournament	<u>25,000</u>
 <u>Total</u>	 <u>550,652</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, 2012

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	480,000	-0-	235,000	245,000	245,000
<b>Total</b>	<u>480,000</u>	<u>-0-</u>	<u>235,000</u>	<u>245,000</u>	<u>245,000</u>

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

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

	<u>Principal</u>	<u>Interest</u>
2013	245,000	7,473
2014	-0-	-0-
2015	-0-	-0-
2016	-0-	-0-
2017	-0-	-0-

Interest paid during 2012 was \$14,808.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
 WEST MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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 and a LHSA Basketball Tournament. Details of these events are as follows:

	<u>AAU Basketball S. Regional Tournament</u>	<u>LHSA Basketball Tournament</u>
Income	4,774	-0-
Expenses	(6,188)	(14,913)
<u>Net</u>	<u>(1,414)</u>	<u>(14,913)</u>

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, 2012 is \$-0-, as the bonds were redeemed in 2012.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - BP SETTLEMENT:

Included in Miscellaneous Revenue is \$62,418.44 in BP Oil settlement funds due to the 2010 BP Oil spill in the Gulf of Mexico. Such funds are one time monies and not expected to be received in future years.

NOTE 13 - 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 14 - 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, 2013, 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.

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows):</b>				
Hotel-Motel Occupancy Tax	1,200,000	1,292,724	1,331,986	39,262
Hotel-Motel Sales Tax Rebate	1,250,000	1,243,302	1,292,038	48,736
Miscellaneous Revenues	51,000	127,021	124,141	( 2,880)
Special Events (Net)	( 1,200)	( 16,860)	( 16,327)	533
Gain (Loss) on Asset Disposition	-	-	-	-
Interest	<u>1,500</u>	<u>1,808</u>	<u>2,207</u>	<u>399</u>
Amounts Available for Appropriation	<u>2,501,300</u>	<u>2,647,995</u>	<u>2,734,045</u>	<u>86,050</u>
<b>Charges to Appropriations</b>				
<b>(Outflows):</b>				
Personal Services	645,836	634,626	636,333	1,707
Travel	56,686	63,285	64,167	882
Operating Expenses	655,514	667,667	627,418	( 40,249)
Supplies	20,000	7,491	15,169	7,678
Professional Services	41,000	51,451	47,145	( 4,306)
Other Charges	805,300	753,212	442,367	(310,845)
Capital Outlays	44,000	14,450	1,893	( 12,557)
Bond Principal Payments	235,000	235,000	235,000	-
Interest on Long-Term Debt	<u>14,640</u>	<u>14,808</u>	<u>14,808</u>	-
Total Charges to Appropriations	<u>2,517,976</u>	<u>2,441,990</u>	<u>2,084,300</u>	<u>(357,690)</u>
<b>Excess of Reserves Over (Under) Expenditures</b>	( 16,676)	206,005	649,745	443,740
<b>Other Financing Sources</b>				
<b>(Uses)</b>				
Proceeds of Bond Asset	-	-	-	-
Net Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Excess of Revenues and Sources Over (Under) Expenditures and Uses</b>	( 16,676)	206,005	649,745	443,740
<b>Fund Balance at Beginning of Year</b>	<u>4,980,096</u>	<u>4,980,096</u>	<u>4,980,096</u>	<u>-0-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>4,963,420</u>	<u>5,186,101</u>	<u>5,629,841</u>	<u>443,740</u>

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

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

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"The CPA. Never Underestimate The Value."

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June 28, 2013

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ONCOMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the financial statements of the government activities of the Monroe-West Monroe Convention and Visitors Bureau of Ouachita Parish (the Bureau) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated June 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

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 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. These items are listed as 12-1 and 12-2.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau'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*.

#### The Bureau's Response to Findings

The Bureau's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Bureau's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



This report is intended for the information use of management, the Board members, and the Louisiana Legislative Auditor for 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 Revised Statute 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  
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

FINANCIAL STATEMENT FINDINGS

Internal Control

12-1

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  
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

12-1 (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.

**Response:** Management agrees with this finding.

12-2

**Criteria:** Board members should approve all reimbursement forms for reimbursements made to the executive director.

**Conditions:** Two of three reimbursement forms reviewed that were paid to the executive director were not approved by a Board member.

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

**Cause:** The Board member failed to sign the reimbursement form when reviewing the documentation and signing the check.

**Recommendation:** We recommend all reimbursement forms be signed by the board member who signs the check to verify that the documentation was reviewed.

**Response:** Management agrees with this finding.

Compliance

N/A

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS  
AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Ms. Alana Cooper, executive director, is the contract person for the corrective action plan.

INTERNAL CONTROL FINDINGS

12-1

Condition: 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.

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.

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS  
AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

INTERNAL CONTROL FINDINGS (Continued)

12-1 (Continued)

Responses: Management agrees with auditors' recommendation. No additional action needed.

12-2

Criteria: Board members should approve all reimbursement forms for reimbursements made to the executive director.

Recommendation: We recommend all reimbursement forms be signed by the board member who signs the check to verify that the documentation was reviewed.

Response: Management agrees with this finding.

Compliance

N/A

MONROE-WEST MONROE CONVENTION AND VISITORS BUREAU OF OUACHITA PARISH  
WEST MONROE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
DECEMBER 31, 2012

FINANCIAL STATEMENT FINDINGS - PRIOR YEAR ENDED DECEMBER 31, 2011

11-1

**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.