

**TANGIPAHOA PARISH CONVENTION AND VISITORS BUREAU
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE TWO YEARS ENDED DECEMBER 31, 2004

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 6-29-05

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Annual Financial Statements

As of and for the Two Years Ended December 31, 2004
With Supplementary Information Schedules

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Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA

Member
American Institute of CPA's
Society of Louisiana CPA's

May 18, 2005

Independent Auditor's Report

Mr. Ed Hoover, Chairman and
Members of the Board of Directors
Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

We have audited the accompanying financial statements of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau, a component unit of the Tangipahoa Parish Council, as of and for the two years ended December 31, 2004, which collectively comprise the Tangipahoa Parish Convention and Visitors Bureau's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tangipahoa Parish Convention and Visitors 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 respective financial position of the governmental activities and the general fund of the Tangipahoa Parish Convention and Visitors Bureau as of December 31, 2004, and the respective changes in financial position thereof for the two years 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 May 18, 2005, on our consideration of the Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1 to the financial statements, the Tangipahoa Parish Convention and Visitors Bureau adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis, for State and Local*

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of January 1, 2004. This results in a change in the form and content of the basic financial statements.

The Management's Discussion and Analysis on pages 4 through 9 and the budgetary comparison schedules identified as Schedules 1 and 2 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs".

Durnin & James, CPAs
(A Professional Corporation)

Management's Discussion and Analysis

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Management's Discussion and Analysis

December 31, 2004

Introduction

Tangipahoa Parish Convention and Visitors Bureau (the "Bureau") is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the Bureau's financial statements and footnotes, which follow this section.

Financial Highlights

- Total assets for the year were \$1,396,858 at December 31, 2004, and exceeded liabilities in the amount of \$1,381,697 (i.e., net assets). Of the total net assets, \$231,206 was unrestricted and available to support short-term operations, and \$650,000 was designated for capital outlay, with the balance invested in capital assets.
- Occupancy fees for the fiscal year ending December 31, 2004 remained relatively constant increasing to \$334,707 representing an increase of 46% from the total occupancy fees of \$229,472 for the fiscal year ending December 31, 2003.
- The Bureau's operating expenses increased by \$231,350 to \$688,954 as compared to \$437,604 for the prior fiscal year. The increase is due primarily to increases in "Capital Outlay" of \$122,978, "Advertising & Promotion" of \$96,205, and "Salaries & Related Benefits" of \$30,347.
- Interest income for the fiscal year ended December 31, 2004, totaled \$11,060 representing a decrease of \$3,035 from the prior fiscal year.
- As a result of the demand for services, and long-range plans of the Tangipahoa Convention and Visitors Bureau, the Bureau is in the process of finalizing plans to construct a new building.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of Tangipahoa Parish Convention and Visitors Bureau's financial condition and performance.

The financial statements report information on the Bureau using full accrual accounting methods similar to those used in the private business sector. Financial statements include the Balance Sheet and the Statement of Revenues, Expenses, and Changes in Net Assets. The Balance Sheet provides information about the nature and amount of the Bureau's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the Bureau and assessing the liquidity and financial flexibility of the Bureau.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Management's Discussion and Analysis

December 31, 2004

The Statement of Revenues, Expenses, and Changes in Net Assets, accounts for the revenues and expenses for the fiscal year, and provides information on how net assets changed during the year.

This statement measures the success of the Bureau's operations in a format that can be used to determine if the Bureau has recovered its costs through user fees and other charges.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the Bureau's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule, key information schedules on operation of the Bureau, and schedules detailing audit findings and management response.

Financial Analysis

The purpose of financial analysis is to help determine whether Tangipahoa Parish Convention and Visitors Bureau is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Balance Sheet, and the Statement of Revenues, Expenses, and Changes in Net Assets, are presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the Bureau. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

Condensed Balance Sheet

| | December 31, 2004 | December 31, 2003 | Dollar Change | Percent Change |
|--|----------------------|----------------------|-------------------|-------------------|
| Current and Other Assets | \$ 896,367 | \$ 943,573 | \$ (47,206) | -5.00% |
| Capital Assets | 500,491 | 330,347 | 170,144 | 51.50% |
| Total Assets | <u>\$ 1,396,858</u> | <u>\$ 1,273,920</u> | <u>\$ 122,938</u> | <u>9.65%</u> |
| Current Liabilities | \$ 15,161 | \$ 9,875 | \$ 5,286 | 53.53% |
| Total Liabilities | <u>\$ 15,161</u> | <u>\$ 9,875</u> | <u>\$ 5,286</u> | <u>53.53%</u> |
| Invested in Capital Assets, Net of Related Debt | \$ 500,491 | \$ 330,347 | \$ 170,144 | 51.50% |
| Designated for Capital Activity | 650,000 | 650,000 | - | - |
| Unrestricted | 231,206 | 283,698 | (52,492) | -18.50% |
| Total Net Assets | <u>\$ 1,381,697</u> | <u>\$ 1,264,045</u> | <u>\$ 117,652</u> | <u>9.31%</u> |
| Total Liabilities and Net Assets | <u>\$ 1,396,858</u> | <u>\$ 1,273,920</u> | <u>\$ 122,938</u> | <u>9.65%</u> |

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Management's Discussion and Analysis

December 31, 2004

The major components of change for "Current and Other Assets" are a \$102,431 decrease in cash, and a \$56,311 increase in receivables.

"Capital Assets increased by \$170,144, reflecting \$174,808 in total purchases of capital assets, less the depreciation recorded on capital assets of \$4,664 for the fiscal year ending December 31, 2004.

"Total Net Assets" (total assets less total liabilities) increased by \$117,652 for the fiscal year ending December 31, 2004, primarily because of the increase to "Capital Assets" of \$170,144 and the related decrease in "Current and Other Assets" of \$47,206.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

| | December 31, 2004 | December 31, 2003 | Dollar Change | Percent Change |
|--------------------------|----------------------|----------------------|---------------------|-------------------|
| Revenues: | | | | |
| Operating Revenues | \$ 625,402 | \$ 525,873 | \$ 99,529 | 18.93% |
| Nonoperating Revenues | 11,060 | 14,095 | (3,035) | -21.53% |
| Total Revenues | <u>\$ 636,462</u> | <u>\$ 539,968</u> | <u>\$ 96,494</u> | <u>17.87%</u> |
| Expenses: | | | | |
| Depreciation Expense | \$ 4,664 | \$ 6,451 | \$ 1,787 | 27.70% |
| Other Operating Expenses | 514,146 | 385,774 | (128,372) | -33.28% |
| Total Expenses | <u>\$ 518,810</u> | <u>\$ 392,225</u> | <u>\$ (126,585)</u> | <u>-32.27%</u> |
| Changes in Net Assets | \$ 117,652 | \$ 147,743 | \$ (30,091) | -20.37% |
| Beginning Net Assets | 1,264,045 | 1,116,302 | 147,743 | 13.24% |
| Ending Net Assets | <u>\$ 1,381,697</u> | <u>\$ 1,264,045</u> | <u>\$ 117,652</u> | <u>9.31%</u> |

While the Balance Sheet shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets provides answers to the nature and scope of these changes. The above table gives an indication of how the Tangipahoa Parish Convention and Visitors Bureau is being conservatively managed. Total "Operating Revenues" increased by \$99,529 (18.93%). Nonoperating Revenues, consisting of interest income, decreased by \$3,035 reflecting a decrease in cash deposited. Total expenses increased by \$126,585 from the prior fiscal year. "Depreciation Expense" decreased for fiscal year ending December 31, 2004. For the category of expense most controllable by the Bureau, "Other Operating Expense", there was a \$128,372 increase from the prior year. "Other Operating Expense" includes expenditures for operations, other than for "Depreciation Expense". The increase was due primarily to an "Advertising and Promotion increase of \$96,205 and "Salaries and Related Benefits" increase of \$30,347.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Management's Discussion and Analysis

December 31, 2004

The Bureau showed an income of \$117,652 for the fiscal year ended December 31, 2004, as compared to an income of \$147,743 for the fiscal year ended December 31, 2003.

Budgetary Highlights

Tangipahoa Parish Convention and Visitors Bureau adopts an annual operating budget in accordance with requirements of the provisions of Louisiana R.S. 33.4574.2. The Bureau prepares and submits its annual budget to the Parish Council for approval. The Parish Council approves the budget through the adoption of a Parish ordinance. This budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operations of the Bureau. The operating budget is adopted before the end of the prior fiscal year, and is amended after review of monthly budget-to-actual financial reports, by approval of the Parish Council. A summary of the approved budget is presented below in a condensed format summarizing major revenue and expenditure categories, and is followed by analysis of significant variations between budget and actual amounts. Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in "Schedule 1 – Budgetary Comparison Schedule", as supplementary information, following the footnotes to the financial statements.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Management's Discussion and Analysis

December 31, 2004

Budget vs. Actual – Fiscal Year Ended December 31, 2004

| | Budget Year Ended December 31, 2004 | Actual Year Ended December 31, 2004 | Favorable (Unfavorable) Variance |
|-------------------------------|--|--|--|
| Revenues: | | | |
| Operating | \$ 496,900 | \$ 625,402 | \$ 128,502 |
| Nonoperating | 12,000 | 11,060 | (940) |
| Total Revenues | <u>\$ 508,900</u> | <u>\$ 636,462</u> | <u>\$ 127,562</u> |
| Operating Expenses: | | | |
| Salaries and Related Benefits | \$ 196,000 | \$ 191,975 | \$ 4,025 |
| Payroll Taxes | 5,000 | 3,991 | 1,009 |
| Advertising and Promotion | 130,000 | 248,660 | (118,660) |
| Automobile | 4,000 | 4,757 | (757) |
| Dues / Subscriptions | 5,000 | 5,036 | (36) |
| Insurance | 3,000 | 2,438 | 562 |
| Office Supplies | 8,500 | 7,291 | 1,209 |
| Operating Leases | 11,400 | 10,492 | 908 |
| Professional Fees | 4,000 | 3,910 | 90 |
| Repairs & Maintenance | 7,000 | 6,567 | 433 |
| Telephone | 7,000 | 7,028 | (28) |
| Travel | 10,500 | 11,999 | (1,499) |
| Utilities | 4,000 | 4,232 | (232) |
| Other | 6,500 | 5,770 | 730 |
| Capital Outlay | 700,000 | 174,808 | 525,192 |
| Total Expenses | <u>\$ 1,101,900</u> | <u>\$ 688,954</u> | <u>\$ 412,946</u> |
| Income / (Loss) | <u>\$ (593,000)</u> | <u>\$ (52,492)</u> | <u>\$ 540,508</u> |

There was no significant variation between budgeted and actual "Nonoperating Revenues". "Operating Revenues" exceeded budgeted amounts by \$128,502 primarily due to an increase in occupancy tax rates during the year. For "Operating Expenses" "Advertising and Promotion" exceeded budgeted amounts by \$118,660 and "Capital Outlay" was under budget by \$525,192. Total actual "Operating Expenses" were \$412,946 below budgeted "Operating Expenses". These factors resulted in a positive variation of \$540,508 below budget.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Management's Discussion and Analysis

December 31, 2004

Other Significant Trends and Account Changes

Included within this section is first a listing and analysis of general trends and operating data affecting the operation of the Bureau. This is followed by an analysis of any significant account changes, not included within other sections of the Management's Discussion and Analysis.

General Operating Data

| | December 31, 2004 | December 31, 2003 | Increase (Decrease) |
|----------------|----------------------|----------------------|------------------------|
| Occupancy Tax: | | | |
| Parish | \$ 334,707 | \$ 229,472 | \$ 105,235 |
| State | 285,489 | 285,706 | (217) |
| Total | <u>\$ 620,196</u> | <u>\$ 515,178</u> | <u>\$ 105,018</u> |

Capital Assets

At the end of the fiscal year ending December 31, 2004, Tangipahoa Parish Convention and Visitors Bureau had \$500,491 (net of accumulated depreciation) recorded in capital assets. This includes land, equipment, and buildings. The changes in capital assets are presented in the table below.

| | December 31, 2004 | December 31, 2003 | Dollar Change | Percent Change |
|--------------------------------|----------------------|----------------------|-------------------|-------------------|
| Land | \$ 449,636 | \$ 278,901 | \$ 170,735 | 61.22% |
| Buildings | 72,196 | 72,196 | - | - |
| Equipment | 63,241 | 59,168 | 4,073 | 6.88% |
| Subtotal | <u>\$ 585,073</u> | <u>\$ 410,265</u> | <u>\$ 174,808</u> | <u>42.61%</u> |
| Less: Accumulated Depreciation | <u>\$ 84,582</u> | <u>\$ 79,918</u> | <u>\$ 4,664</u> | <u>5.84%</u> |
| Net Capital Assets | <u>\$ 500,491</u> | <u>\$ 330,347</u> | <u>\$ 170,144</u> | <u>51.50%</u> |

Future Economic Plans

The Tangipahoa Parish Convention and Visitors Bureau's management approach is conservative. The Board of Commissioners actively monitors revenues and expenses and evaluates the costs of proposed expansion projects. Although only land costs of \$170,735 have been incurred, the Bureau is evaluating plans to construct a new office building in order to enhance customer services.

Basic Financial Statements

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Exhibit A

Governmental Fund Balance Sheet / Statement of Net Assets

December 31, 2004

| | General Fund | Adjustments (Note 1) | Statement of Net Assets |
|--|----------------|-------------------------|----------------------------|
| Assets | | | |
| Cash | \$ 179,003 | \$ - | \$ 179,003 |
| Receivables, Net | 150,803 | - | 150,803 |
| Investments | 566,561 | - | 566,561 |
| Capital Assets, Net (Note 4) | - | 500,491 | 500,491 |
| Total Assets | \$ 896,367 | \$ 500,491 | \$ 1,396,858 |
| Liabilities | | | |
| Accounts Payable | \$ 2,416 | \$ - | \$ 2,416 |
| Payroll Taxes Payable | 9,545 | - | 9,545 |
| Accrued Liabilities | 3,200 | - | 3,200 |
| Total Liabilities | \$ 15,161 | \$ - | \$ 15,161 |
| Fund Equity / Net Assets | | | |
| Investment in Capital Assets, Net of Related Debt | \$ - | \$ 500,491 | \$ 500,491 |
| Fund Balance: | | | |
| Unreserved, Undesignated | 231,206 | - | 231,206 |
| Unreserved, Designated | 650,000 | - | 650,000 |
| Total Fund Equity / Net Assets | \$ 881,206 | \$ 500,491 | \$ 1,381,697 |

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Exhibit B

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balance / Statement of Activities

For the Year Ended December 31, 2004

| | <u>General Fund</u> | <u>Adjustments (Note 1)</u> | <u>Statement of Activities</u> |
|--|---------------------|---------------------------------|------------------------------------|
| Expenditures / Expenses | | | |
| Current: | | | |
| Salaries and Related Benefits | \$ (195,966) | \$ - | \$ (195,966) |
| Advertising & Promotion | (248,660) | - | (248,660) |
| Automobile | (4,757) | - | (4,757) |
| Commissioner Related | (1,757) | - | (1,757) |
| Dues / Subscriptions | (5,036) | - | (5,036) |
| Insurance | (2,438) | - | (2,438) |
| Office Supplies | (7,291) | - | (7,291) |
| Operating Leases | (10,492) | - | (10,492) |
| Other | (3,651) | - | (3,651) |
| Professional Fees | (3,910) | - | (3,910) |
| Repairs & Maintenance | (6,567) | - | (6,567) |
| Telephone & Utilities | (11,260) | - | (11,260) |
| Travel (Local) | (11,999) | - | (11,999) |
| Uniforms | (362) | - | (362) |
| Capital Outlay | (174,808) | 174,808 | - |
| Depreciation Expense | - | (4,664) | (4,664) |
| Total Expenditures / Expenses | <u>\$ (688,954)</u> | <u>\$ 170,144</u> | <u>\$ (518,810)</u> |
| General Revenues: | | | |
| Taxes, Net of Collection Fees | \$ 317,968 | \$ - | \$ 317,968 |
| Intergovernmental | 285,489 | - | 285,489 |
| Interest | 11,060 | - | 11,060 |
| Grant Income | 15,050 | - | 15,050 |
| Other | 6,895 | - | 6,895 |
| Total General Revenues | <u>\$ 636,462</u> | <u>\$ -</u> | <u>\$ 636,462</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (52,492) | \$ 170,144 | \$ 117,652 |
| Fund Balance - Beginning of the Year | <u>\$ 933,698</u> | <u>\$ 330,347</u> | <u>\$ 1,264,045</u> |
| Fund Balance - End of the Year | <u>\$ 881,206</u> | <u>\$ 500,491</u> | <u>\$ 1,381,697</u> |

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Exhibit C

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balance / Statement of Activities

For the Year Ended December 31, 2003

| | General Fund | Adjustments (Note 1) | Statement of Activities |
|--|--------------|-------------------------|----------------------------|
| Expenditures / Expenses | | | |
| Current: | | | |
| Salaries and Related Benefits | \$ (164,716) | \$ - | \$ (164,716) |
| Advertising & Promotion | (152,455) | - | (152,455) |
| Automobile | (2,927) | - | (2,927) |
| Commissioner Related | (1,110) | - | (1,110) |
| Dues / Subscriptions | (4,622) | - | (4,622) |
| Insurance | (2,552) | - | (2,552) |
| Office Supplies | (6,290) | - | (6,290) |
| Operating Leases | (11,310) | - | (11,310) |
| Other | (4,458) | - | (4,458) |
| Professional Fees | (5,300) | - | (5,300) |
| Repairs & Maintenance | (8,488) | - | (8,488) |
| Telephone & Utilities | (10,385) | - | (10,385) |
| Travel (Local) | (11,096) | - | (11,096) |
| Uniforms | (65) | - | (65) |
| Capital Outlay | (51,830) | 51,830 | - |
| Depreciation Expense | - | (6,451) | (6,451) |
| Total Expenditures / Expenses | \$ (437,604) | \$ 45,379 | \$ (392,225) |
| General Revenues: | | | |
| Taxes, Net of Collection Fees | \$ 217,998 | \$ - | \$ 217,998 |
| Intergovernmental | 285,706 | - | 285,706 |
| Interest | 14,095 | - | 14,095 |
| Grant Income | 13,671 | - | 13,671 |
| Other | 8,498 | - | 8,498 |
| Total General Revenues | \$ 539,968 | \$ - | \$ 539,968 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 102,364 | \$ 45,379 | \$ 147,743 |
| Fund Balance - Beginning of the Year | \$ 831,334 | \$ 284,968 | \$ 1,116,302 |
| Fund Balance - End of the Year | \$ 933,698 | \$ 330,347 | \$ 1,264,045 |

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements

As of and For the Two Years Ended December 31, 2004

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Tangipahoa Parish Assessor
Amite, Louisiana

Notes To Financial Statements

As of and for the Year Ended December 31, 2004

Narrative Profile

The Tangipahoa Parish Convention and Visitors Bureau (hereafter referred to as "TPCVB") was created by Ordinance No. 79-12-1 of the Tangipahoa Parish Council (hereafter referred to as "Parish Council") as provided by Louisiana Revised Statutes 33:4574-4574.3. The purpose and duties of the TPCVB are to promote tourism within Tangipahoa Parish. The TPCVB is governed by a board of eight directors appointed by the Parish Council for three-year terms.

To fund the operations of the TPCVB, the TPCVB under the authority provided by Act No. 47 of the 1995 Session of the Louisiana Legislature, adopted Ordinance No. 95-01 levying a tax of two percent upon the rental or fee charged for the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the Parish of Tangipahoa. The Sheriff of Tangipahoa Parish acts as collecting agent for the tax for a fee of five percent of the taxes collected. The TPCVB presently has 4 full-time employees and 3 part-time which staff a full-time tourist information center in Hammond, Louisiana.

The accounting and reporting policies of the TPCVB conform to generally accepted accounting principles as applicable to governments. Such accounting and procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary Of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the Tangipahoa Parish Convention and Visitors Bureau have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001.

B. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Because the council appoints the board members, the TPCVB was determined to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the TPCVB and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The TPCVB uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – The General Fund is the general operating fund of the TPCVB. It is used to account for all financial resources, except those required to be accounted for in another fund.

D. Basis of Accounting

The amounts reflected in the Governmental Funds of Exhibits A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the TPCVB's operations.

The amounts reflected in the Governmental Funds of Exhibits A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The TPCVB considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Hotel / motel taxes are considered "measurable" when in the hands of the collecting agency and are recorded as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reduction of revenue when they are measurable and their validity seems certain. All major revenues are susceptible to accrual.

Interest income represents amounts earned on checking accounts and investments with financial institutions. Interest earned on checking accounts and investments is recorded when received.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are not recognized until due.

E. Government-Wide Financial Statements

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibits B and C) display information about the TPCVB as a whole. These statements include all the financial activities of the TPCVB. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the column labeled Statement of Activities (Exhibits B and C) are derived directly from the TPCVB's users as a fee for services; program revenues reduce the cost of the function to be financed from the TPCVB's general revenues.

Reconciliation:

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and the Statement of Net Assets (Exhibit A) for the year ended December 31, 2004 is as follows:

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

| Exhibit B | |
|--|-------------------|
| Capitalization of Capital Assets | \$ 174,808 |
| Recording of Depreciation Expense | <u>(4,664)</u> |
| | 170,144 |
| Adjustment to Beginning Fund Balance for Prior Years Capital Assets | <u>330,347</u> |
| Net Effect of Changes | <u>\$ 500,491</u> |
| Exhibit A | |
| Recording of Net Capital Assets | <u>\$ 500,491</u> |
| Net Effect of Changes | <u>\$ 500,491</u> |

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit C) for the year ended December 31, 2003 is as follows:

| Exhibit C | |
|--|-------------------|
| Capitalization of Capital Assets | \$ 51,830 |
| Recording of Depreciation Expense | <u>(6,451)</u> |
| | 45,379 |
| Adjustment to Beginning Fund Balance for Prior Years Capital Assets | <u>284,968</u> |
| Net Effect of Changes | <u>\$ 330,347</u> |

F. Budgetary Practices

In accordance with provisions of Louisiana R.S. 33:4574.2, the TPCVB prepared and submitted its annual budget to the Parish Council for approval. The Parish Council approves the annual budget submitted by the TPCVB through the adoption of a parish ordinance. Amendments to the adopted budget require approval of the Parish Council in the same manner as the adoption of the original budget. The TPCVB prepares its budget on the modified accrual basis of accounting. The budgets presented in these financial statements are as originally adopted, or amended, if applicable.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

G. Encumbrances

The TPCVB does not utilize encumbrance accounting.

H. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the TPCVB may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the TPCVB may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost.

I. Inventories

The TPCVB uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The TPCVB did not record any inventory at December 31, 2004.

J. Prepaid Items

The TPCVB did not record any prepaid items at December 31, 2004.

K. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which capital asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Assets and the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

| Description | Estimated Lives |
|-------------|--------------------|
| Furniture | 7 |
| Equipment | 5 |
| Buildings | 40 |

L. Compensated Absences

The TPCVB's policy is to allow employees vacation pay based on length of service. All full-time employees are entitled to one-week vacation after one full year of service, two weeks after two full years of service, and three weeks after ten full years of service. Vacation leave not taken cannot be accrued, and must be taken in the anniversary year it is acquired. Upon separation from service, employees are paid at their current rate of pay for any accrued vacation leave.

Sick leave is cumulative at the rate of one day of sick leave for each month of continuous employment until a maximum of 180 days has accumulated. Upon separation of service, no more than ten days of accumulated sick pay will be compensated.

Compensatory Time – K-Time shall be calculated at one and one-half hours for each hour of overtime earned. Employees may accumulate compensatory time until the balance reaches 173 hours. Subsequent overtime earned must be paid as overtime and no longer accumulated as compensatory time. Upon separation from service, compensatory time is payable at the employee's current rate of pay.

Total unused benefit time was considered immaterial at December 31, 2004 and has not been reflected in these financial statements.

M. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

2. Taxes Receivable

Taxes receivable at December 31, 2004, consisted of the following:

| | <u>12/31/04</u> |
|---|-------------------|
| 4% Hotel, Motel, and Campground Taxes due from Tangipahoa Parish Sheriff | \$ 63,096 |
| Act 1 - State Sales Tax Dedication | 86,407 |
| Accrued Interest Receivable | 1,300 |
| Less: Allowance for Uncollectible Accounts | <u>-</u> |
| Amounts Due | <u>\$ 150,803</u> |

3. Cash and Investments

Investments held at December 31, 2004 consist of \$366,561 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at December 31, 2004 is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 201 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

Tangipahoa Parish Convention and Visitors Bureau
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Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

As reflected on Exhibit A, the TPCVB has cash totaling \$184,217 and investments totaling \$566,561 at December 31, 2004. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held by and in the name of the fiscal agent bank but pledged to the TPCVB. The following is a summary of cash and investments (bank balances) at December 31, 2004, with the related federal deposit insurance and pledge securities:

| | Confirmed Bank Balances 12/31/04 | FDIC Insurance | Balance Uninsured |
|---|--|-------------------|----------------------|
| Cash: | | | |
| Interest Bearing Demand Deposits | \$ 184,217 | \$ 100,000 | \$ 84,217 |
| Total Cash | \$ 184,217 | \$ 100,000 | \$ 84,217 |
| Investments: | | | |
| Time Deposits | \$ 200,000 | \$ 200,000 | \$ - |
| LAMP | 366,561 | - | - |
| Total Investments | \$ 566,561 | \$ 200,000 | \$ - |
| Uncollateralized - | | | |
| Securities in the Name of and Held by the Fiscal Agent Pledged to the TPCVB | | | \$ 200,000 |
| Excess of FDIC Insurance and Pledged Securities Over Cash and Investment Bank Balances | | | \$ 115,783 |

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

4. Capital Assets

A summary of the changes in capital assets follows:

| Description | Balance 12/31/02 | Increases | Decreases | Balance 12/31/03 |
|--------------------------------|---------------------|------------------|-------------|---------------------|
| Capital Assets Not Depreciated | | | | |
| Land | \$ 227,071 | \$ 51,830 | \$ - | \$ 278,901 |
| Other Capital Assets | | | | |
| Equipment | 59,168 | - | - | 59,168 |
| Buildings | 72,196 | - | - | 72,196 |
| Total Other Capital Assets | \$ 131,364 | \$ - | \$ - | \$ 131,364 |
| Less Accumulated Depreciation | \$ 73,467 | \$ 6,451 | \$ - | \$ 79,918 |
| Other Capital Assets, Net | \$ 57,897 | \$ (6,451) | \$ - | \$ 51,446 |
| Total | <u>\$ 284,968</u> | <u>\$ 45,379</u> | <u>\$ -</u> | <u>\$ 330,347</u> |

| Description | Balance 12/31/03 | Increases | Decreases | Balance 12/31/04 |
|--------------------------------|---------------------|-------------------|-------------|---------------------|
| Capital Assets Not Depreciated | | | | |
| Land | \$ 278,901 | \$ 170,735 | \$ - | \$ 449,636 |
| Other Capital Assets | | | | |
| Equipment | 59,168 | 4,073 | - | 63,241 |
| Buildings | 72,196 | - | - | 72,196 |
| Total Other Capital Assets | \$ 131,364 | \$ 4,073 | \$ - | \$ 135,437 |
| Less Accumulated Depreciation | \$ 79,918 | \$ 4,664 | \$ - | \$ 84,582 |
| Other Capital Assets, Net | \$ 51,446 | \$ (591) | \$ - | \$ 50,855 |
| Total | <u>\$ 330,347</u> | <u>\$ 170,144</u> | <u>\$ -</u> | <u>\$ 500,491</u> |

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

5. Pension Plan

Substantially all employees of the Tangipahoa Parish Convention and Visitors Bureau are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing multiple-employer (defined benefit), 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 TPCVB 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 percent 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 prior to January 1, 1980. 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 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 Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Plan members are required by state statute to contribute 9.5 percent of their annual covered salary and the TPCVB is required to contribute at an actuarially determined rate. The current rate is 7.25 percent of annual covered payroll. Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Convention and Visitors Bureau's contributions to the System for the years ending December 31, 2004, 2003, and 2002 were \$25,702, \$19,885, and \$18,668 respectively, equal to the required contributions for each year.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

6. Other Postemployment Benefits

The TPCVB has no other postemployment benefits.

7. Leases

On June 29, 1983, the TPCVB entered into an agreement with the Parish Council to lease a parcel of land located in Hammond, Louisiana, for a period of twenty years for the purpose of erecting a building to be used as an office for the TPCVB and a Tourist Information Center. The only consideration for this lease is the benefit to the public and citizens of Tangipahoa Parish to be derived from the use of the premises. The lease is renewable for an additional term of twenty years upon written request by the TPCVB. A construction project for the erection of the building was begun in 1983 but was subsequently abandoned in 1984 at which time the startup costs of the project were written off. In 1989, the TPCVB erected a new building on this site and relocated its office in June 1989.

In addition, the TPCVB is leasing a copier under a five-year operating lease, expiring in May 2006.

The TPCVB is leasing a Pitney Bowes Postage Meter under a fifty-one month operating lease, which expired in February 2002. The lease has been continued on a month-to-month basis as if the lease had not expired.

Also, the TPCVB is leasing an automobile under a three-year operating lease, expiring in August 2007.

The following is a schedule of future minimum lease payments required under the above operating leases as of December 31, 2004:

| <u>Year Ending December 31</u> | <u>Amount</u> |
|------------------------------------|------------------|
| 2005 | \$ 9,697 |
| 2006 | 8,585 |
| 2007 | <u>5,194</u> |
| | <u>\$ 23,476</u> |

Lease payments amounted to \$10,492 and \$11,310 in 2004 and 2003, respectively.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Notes to Financial Statements (Continued)

As of and For the Two Years Ended December 31, 2004

8. Per Diem Paid Board Members

For the years ended December 31, 2004, and 2003, no per diem or other compensation was paid to the Board members of the TPCVB.

9. Designations of Fund Balance

Unreserved fund balance in the amount of \$650,000 has been designated for Capital Outlay, to fund the anticipated construction of a new building.

Required Supplemental Information

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Schedule 1

Budgetary Comparison Schedule

As of and For the Year Ended December 31, 2004

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts - Budgetary Basis</u> | <u>Variance with Final Budget Favorable / (Unfavorable)</u> |
|--|----------------------------|-------------------------|---|---|
| Revenues: | | | | |
| Taxes | \$ 220,000 | \$ 220,000 | \$ 334,707 | \$ 114,707 |
| Less Collection Fee | (11,000) | (11,000) | (16,739) | (5,739) |
| Intergovernmental | 275,000 | 275,000 | 285,489 | 10,489 |
| Interest | 12,000 | 12,000 | 11,060 | (940) |
| Grant Income | 4,500 | 4,500 | 15,050 | 10,550 |
| Other | 8,400 | 8,400 | 6,895 | (1,505) |
| Total Revenues | <u>\$ 508,900</u> | <u>\$ 508,900</u> | <u>\$ 636,462</u> | <u>\$ 127,562</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries and Related Benefits | \$ 196,000 | \$ 196,000 | \$ 191,975 | \$ 4,025 |
| Payroll Taxes | 5,000 | 5,000 | 3,991 | 1,009 |
| Advertising & Promotion | 130,000 | 130,000 | 248,660 | (118,660) |
| Automobile | 4,000 | 4,000 | 4,757 | (757) |
| Commissioner Related | 1,500 | 1,500 | 1,757 | (257) |
| Dues / Subscriptions | 5,000 | 5,000 | 5,036 | (36) |
| Insurance | 3,000 | 3,000 | 2,438 | 562 |
| Office Supplies | 8,500 | 8,500 | 7,291 | 1,209 |
| Operating Leases | 11,400 | 11,400 | 10,492 | 908 |
| Other | 4,500 | 4,500 | 3,651 | 849 |
| Professional Fees | 4,000 | 4,000 | 3,910 | 90 |
| Repairs & Maintenance | 7,000 | 7,000 | 6,567 | 433 |
| Telephone | 7,000 | 7,000 | 7,028 | (28) |
| Travel (Local) | 10,500 | 10,500 | 11,999 | (1,499) |
| Uniforms | 500 | 500 | 362 | 138 |
| Utilities | 4,000 | 4,000 | 4,232 | (232) |
| Capital Outlay | 700,000 | 700,000 | 174,808 | 525,192 |
| Total Expenditures | <u>\$ 1,101,900</u> | <u>\$ 1,101,900</u> | <u>\$ 688,954</u> | <u>\$ 412,946</u> |
| Excess (Deficiency) of Revenues over Expenditures | \$ (593,000) | \$ (593,000) | \$ (52,492) | \$ 540,508 |
| Fund Balance - Beginning of the Year | <u>\$ 727,100</u> | <u>\$ 727,100</u> | <u>\$ 933,698</u> | <u>\$ 206,598</u> |
| Fund Balance - End of the Year | <u>\$ 134,100</u> | <u>\$ 134,100</u> | <u>\$ 881,206</u> | <u>\$ 747,106</u> |

See auditor's report.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Schedule 2

Budgetary Comparison Schedule

As of and For the Year Ended December 31, 2003

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance with</u> |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------|
| | <u>Budget</u> | <u>Budget</u> | <u>Amounts -</u> | <u>Final Budget</u> |
| | | | <u>Budgetary</u> | <u>Favorable /</u> |
| | | | <u>Basis</u> | <u>(Unfavorable)</u> |
| Revenues: | | | | |
| Taxes | \$ 200,000 | \$ 200,000 | \$ 229,472 | \$ 29,472 |
| Less Collection Fee | (10,000) | (10,000) | (11,474) | (1,474) |
| Intergovernmental | 215,000 | 215,000 | 285,706 | 70,706 |
| Interest | 12,000 | 12,000 | 14,095 | 2,095 |
| Grant Income | 8,000 | 8,000 | 13,671 | 5,671 |
| Other | 8,400 | 8,400 | 8,498 | 98 |
| Total Revenues | <u>\$ 433,400</u> | <u>\$ 433,400</u> | <u>\$ 539,968</u> | <u>\$ 106,568</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries and Related Benefits | \$ 151,200 | \$ 164,200 | \$ 161,628 | \$ 2,572 |
| Payroll Taxes | 3,000 | 3,000 | 3,088 | (88) |
| Advertising & Promotion | 130,000 | 148,000 | 152,455 | (4,455) |
| Automobile | 6,000 | 6,000 | 2,927 | 3,073 |
| Commissioner Related | 1,400 | 1,400 | 1,110 | 290 |
| Dues / Subscriptions | 5,000 | 5,000 | 4,622 | 378 |
| Insurance | 3,100 | 3,100 | 2,552 | 548 |
| Office Supplies | 8,500 | 8,500 | 6,290 | 2,210 |
| Operating Leases | 11,600 | 11,600 | 11,310 | 290 |
| Other | 4,500 | 4,500 | 4,458 | 42 |
| Professional Fees | 6,500 | 6,500 | 5,300 | 1,200 |
| Repairs & Maintenance | 7,000 | 7,000 | 8,488 | (1,488) |
| Telephone | 7,000 | 7,000 | 6,482 | 518 |
| Travel (Local) | 9,000 | 9,000 | 11,096 | (2,096) |
| Uniforms | 2,000 | 2,000 | 65 | 1,935 |
| Utilities | 3,500 | 3,500 | 3,903 | (403) |
| Capital Outlay | 42,000 | 70,000 | 51,830 | 18,170 |
| Total Expenditures | <u>\$ 401,300</u> | <u>\$ 460,300</u> | <u>\$ 437,604</u> | <u>\$ 22,696</u> |
| Excess (Deficiency) of | | | | |
| Revenues over Expenditures | \$ 32,100 | \$ (26,900) | \$ 102,364 | \$ 129,264 |
| Fund Balance - Beginning of the Year | <u>\$ 673,000</u> | <u>\$ 754,000</u> | <u>\$ 831,334</u> | <u>\$ 77,334</u> |
| Fund Balance - End of the Year | <u>\$ 705,100</u> | <u>\$ 727,100</u> | <u>\$ 933,698</u> | <u>\$ 206,598</u> |

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

**Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting Based on an Audit of
General Purpose Financial Statements Performed in
Accordance with *Government Auditing Standards***

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA

Member
American Institute of CPA's
Society of Louisiana CPA's

May 18, 2005

Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting Based on an Audit of
General Purpose Financial Statements Performed in
Accordance with *Government Auditing Standards*

Mr. Ed Hoover, Chairman and
Members of the Board of Directors
Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

We have audited the basic financial statements of the Tangipahoa Parish Convention and Visitors Bureau, Hammond, Louisiana, a component unit of the Tangipahoa Parish Council, as of and for the two years ended December 31, 2004, and have issued our report thereon dated May 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Tangipahoa Parish Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Tangipahoa Parish Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs". The signature is written in black ink and is positioned to the right of the typed name below.

Durnin & James, CPAs
(A Professional Corporation)

Findings and Recommendations

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Current Year Audit Findings

For the Year Ended December 31, 2004

Findings and Recommendations

Compliance

None

Internal Control over Financial Reporting

None

Corrective Action Plan for Current Year Audit Findings

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Corrective Action Plan for Current Year Audit Findings

For the Year Ended December 31, 2004

| <u>Ref. #</u> | <u>Description of Findings</u> | <u>Corrective Action Plan</u> | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|---------------|--------------------------------|-----------------------------------|-----------------------------------|--|
|---------------|--------------------------------|-----------------------------------|-----------------------------------|--|

Compliance Findings

None

Internal Control Findings

None

Note: This schedule has been prepared by the management of the Tangipahoa Parish Convention and Visitors Bureau.

Summary Schedule of Prior Audit Findings

Tangipahoa Parish Convention and Visitors Bureau
Hammond, Louisiana

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2004

| Ref. # | Fiscal Year Findings Initially Occurred | Description of Findings | Corrective Action Taken | Planned Corrective Action - Partial Corrective Action Taken |
|--------|---|-------------------------|-------------------------|---|
|--------|---|-------------------------|-------------------------|---|

Compliance

None

Internal Control over Financial Reporting

None

Note: This schedule has been prepared by the management of the Tangipahoa Parish Convention and Visitors Bureau.