

7136

RECEIVED
LEGISLATIVE AUDITOR
2010 APR 12 AM 10:30

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.

**ANNUAL FINANCIAL STATEMENT
DECEMBER 31, 2009**

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 4/21/10

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.

**Annual Financial Statements
As of and for the Year Ended December 31, 2009**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS REPORT.....	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
NOTES TO FINANCIAL STATEMENTS.....	6
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	9

VINCENT R. PROTTI, JR., L.L.C.

Certified Public Accountant

Member American Institute Of Certified Public Accountants
The Society of Louisiana CPA's
Government Finance Officers Association

INDEPENDENT AUDITORS' REPORT

Board Members of
Jefferson Convention And Visitors Bureau, Inc.

I have audited the accompanying statements of financial position of Jefferson Convention and Visitors Bureau, Inc. (a nonprofit organization) as of December 31, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Convention and Visitors Bureau, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Office (504) 342-2600
Fax (504) 365-8065
527 Huey P. Long Avenue
Gretna, LA 70053

In accordance with *Government Auditing Standards*, I have also issued my report dated February 17, 2010, on my consideration of Jefferson Convention and Visitors Bureau's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Vern A. Prottelle, CPA

Gretna, Louisiana
February 17, 2010

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 517,545	
Prepaid Assets	51,775	
Accounts Receivable	<u>134,727</u>	

Total Current Assets		\$ 704,047
----------------------	--	------------

FIXED ASSETS

Equipment	27,039	
Computer Software	43,000	
Leasehold Improvements	3,154	
Less: Accumulated Depreciation	<u>(63,127)</u>	<u>10,066</u>

TOTAL ASSETS		\$ <u>714,113</u>
--------------	--	-------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	9,896	
Deferred Revenue	<u>4,100</u>	

Total Current Liabilities		13,996
---------------------------	--	--------

NET ASSETS

Unrestricted Net Assets	<u>700,117</u>	
-------------------------	----------------	--

Total Net Assets		<u>700,117</u>
------------------	--	----------------

TOTAL LIABILITIES AND NET ASSETS		\$ <u>714,113</u>
----------------------------------	--	-------------------

The accompanying notes are an integral part of this statement.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2009

REVENUE			
Occupancy Tax Revenue	\$	842,548	
State Grant		19,614	
Membership Participation		39,925	
Interest		1,829	
Other Income		<u>4,958</u>	\$ 908,874
OPERATING EXPENSES			
Depreciation		13,233	
Health Insurance		16,182	
Insurance		13,260	
Marketing and Promotion-Collateral Materials		14,657	
Marketing and Promotion-Cooperative Programs		25,000	
Marketing and Promotion-Internet Advertising		36,318	
Marketing and Promotion-Media/Brand Mgmt.		154,170	
Marketing and Promotion-Trade Shows		25,400	
Marketing and Promotion-Other		65,038	
Office Equipment-Services		2,564	
Office Equipment-Rental		2,829	
Office Supplies		12,986	
Payroll Tax		21,781	
Postage		800	
Printing and Reproduction		1,768	
Professional/Technical		35,911	
Rent		7,680	
Retirement		2,174	
Salaries		279,559	
Telephone		7,174	
Travel/Trade Show		<u>17,955</u>	<u>756,439</u>
Change in unrestricted net assets before other revenues and expenses			152,435
OTHER REVENUES AND (EXPENSES)			
Family Gras Sponsorship Revenues		163,900	
Family Gras Food Vendor Revenues		13,438	
Family Gras Expenses		<u>(686,223)</u>	<u>(508,885)</u>
Changes in unrestricted net assets			(356,450)
UNRESTRICTED NET ASSETS, JANUARY 1, 2009			<u>1,056,567</u>
UNRESTRICTED NET ASSETS, DECEMBER 31, 2009			\$ <u><u>700,117</u></u>

The accompanying notes are an integral part of this statement.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (Loss)		\$ (356,450)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	13,233	
Change in Current Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(60,281)	
Decrease (Increase) in Prepaid Assets	16,491	
Increase (Decrease) in Deferred Revenue	(3,800)	
Increase (Decrease) in Accounts Payable	<u>(19,801)</u>	
Increase (Decrease) in Net Assets		<u>(54,158)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		<u>(410,608)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

PURCHASE OF ASSETS	<u>(3,429)</u>	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		<u>(3,429)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(414,037)
CASH AND CASH EQUIVALENTS, JANUARY 1, 2009		<u>931,582</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2009		<u>\$ 517,545</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash Paid During the Year For:

Interest		\$ 0
Income Taxes		\$ 0

The accompanying notes are an integral part of this statement.

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A - NATURE OF OPERATIONS

JEFFERSON CONVENTION AND VISITORS BUREAU, INC. is a nonprofit corporation organized in June of 2000 to actively support the growth of Jefferson Parish tourism through promotion and marketing of its natural and developed resources for the economic benefit of the community and the enjoyment of residents and visitors.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements follows to enhance the usefulness of the financial statements to the reader.

1. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis which is by generally accepted accounting principles.

2. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers any highly liquid debt instruments purchased with a maturity of six months or less to be cash equivalents. The statement of cash flows is presented using the indirect method as permitted by APB 95.

4. Accounts Receivable

Accounts Receivable consisted of a hotel occupancy tax collected by the Jefferson Parish Sheriff's office in the amount of \$134,727.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Fixed Assets

Machinery, equipment, computer software and leasehold improvements are stated at cost. Depreciation is provided using accelerated methods as allowed for income tax purposes which is not materially different from their estimated useful lives.

	<u>Years</u>
Machinery, equipment and furniture	3-7
Leasehold Improvements	15

Depreciation expense for the year ended December 31, 2009 is \$13,233.

6. Income Taxes

The Corporation is a nonprofit organization as described in section 501(C)(6) of the Internal Revenue Code and is exempt from federal and state income taxes.

7. Deferred Revenue

Deferred Revenue consist of membership participation dues and fees collected and deemed receivable during 2009 for the subsequent year. Deferred Revenue at December 31, 2009 is \$ 4,100.

8. Revenues

Jefferson Convention and Visitors Bureau, Inc. receives substantially all of its revenues either from Jefferson Parish through a Cooperative Endeavor Agreement based on the hotel occupancy tax.

9. Advertising

The Corporation expenses advertising costs as they are incurred. At December 31, 2009, advertising expense which is composed of marketing and promotions was \$ 1,018,109.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE C - DEFINED CONTRIBUTION PLAN

Jefferson Convention and Visitors Bureau, Inc. established a defined contribution plan (Simple IRA) in 2007. The eligibility requirements for the plan require employees to earn at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. Employer contributions are based on a dollar for dollar match of employees contribution amount with a maximum amount not to exceed 3% of gross salary. Employer and employee contributions are fully vested immediately upon satisfying eligibility requirements. The pension expense for the year ended December 31, 2009 was \$2,174.

NOTE D - ECONOMIC DEPENDENCY

Jefferson Convention and Visitors Bureau, Inc.'s existence is dependent on the Jefferson Parish Council to renew annually their revenue from the Cooperative Endeavor Agreement which transfers a portion of the net proceeds of the hotel occupancy tax.

VINCENT R. PROTTI, JR., L.L.C.

Certified Public Accountant

Member American Institute Of Certified Public Accountants
The Society of Louisiana CPA's
Government Finance Officers Association

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

Board Members of
Jefferson Convention And Visitors Bureau, Inc.

I have audited the financial statements of Jefferson Convention and Visitors Bureau, Inc. (a nonprofit organization) as of and for the year ended December 31, 2009, and have issued my report thereon dated February 17, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Jefferson Convention and Visitors Bureau, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A *control deficiency* exist 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses as defined above.

Compliance

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

This report is intended solely for the information and use of the audit committee, management, Legislative Auditor, 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.



Vincent R. Protti Jr., LLC
Certified Public Accountant
February 17, 2010