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JEFFERSON CONVENTION AND VISITORS BUREAU, INC.

**ANNUAL FINANCIAL STATEMENT
DECEMBER 31, 2011**

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 **JUN 27 2012**

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.

**Annual Financial Statements
As of and for the Year Ended December 31, 2011**

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VINCENT R. PROTTI, JR., LLC

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, 2011 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, 2011, 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.

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In accordance with *Government Auditing Standards*, I have also issued my report dated March 30, 2011, 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.

Vince A. Prottip. LLC, CPA

Gretna, Louisiana
March 16, 2012

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2011

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 325,290	
Investments	473,622	
Prepaid Assets	9,000	
Accounts Receivable	<u>87,812</u>	

Total Current Assets \$ 895,724

FIXED ASSETS

Equipment	27,039	
Computer Software	59,725	
Leasehold Improvements	3,154	
Less: Accumulated Depreciation	<u>(64,071)</u>	<u>25,847</u>

TOTAL ASSETS \$ 921,571

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	12,220	
Deferred Revenue	<u>8,900</u>	

Total Current Liabilities 21,120

NET ASSETS

Unrestricted Net Assets	<u>900,451</u>	
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Total Net Assets 900,451

TOTAL LIABILITIES AND NET ASSETS \$ 921,571

The accompanying notes are an integral part of this statement.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2011

REVENUE

Occupancy Tax Revenue	\$ 933,783	
State Grant	19,198	
La. Tourism Recovery Program	242,132	
Membership Participation	36,125	
Interest	775	
Other Income	<u>4,335</u>	\$ 1,236,348

OPERATING EXPENSES

Depreciation	10,120	
Health Insurance	13,294	
Insurance	13,690	
Marketing and Promotion-Collateral Materials	2,518	
Marketing and Promotion-Cooperative Programs	29,100	
Marketing and Promotion-Internet Advertising	100,608	
Marketing and Promotion-Media/Brand Mgmt.	268,891	
Marketing and Promotion-Trade Shows	18,397	
Marketing and Promotion-Other	161,684	
Office Equipment-Services	2,232	
Office Equipment-Rental	2,597	
Office Supplies	9,403	
Payroll Tax	22,201	
Postage	590	
Printing and Reproduction	389	
Professional/Technical	31,062	
Rent	7,680	
Retirement	6,332	
Salaries	279,440	
Telephone	<u>6,845</u>	<u>987,073</u>

Change in unrestricted net assets before other revenues and expenses 249,275

OTHER REVENUES AND (EXPENSES)

Family Gras Sponsorship Revenues	125,852	
Family Gras LA Tourism Recovery Program	6,750	
Family Gras Other Revenues	33,009	
Family Gras Expenses	<u>(436,302)</u>	<u>(270,691)</u>

Changes in unrestricted net assets (21,416)

UNRESTRICTED NET ASSETS, JANUARY 1, 2011 921,867

UNRESTRICTED NET ASSETS, DECEMBER 31, 2011 \$ 900,451

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, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (Loss)		\$ (21,416)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	10,120	
Change in Current Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(6,563)	
Increase (Decrease) in Deferred Revenue	1,850	
Increase (Decrease) in Accounts Payable	<u>5,156</u>	
Increase (Decrease) in Net Assets		<u>10,563</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		<u>(10,853)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PURCHASE OF ASSETS	<u>(12,000)</u>	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		<u>(12,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment in LAMP	<u>(156,061)</u>	
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		<u>(156,061)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		178,914
CASH AND CASH EQUIVALENTS, JANUARY 1, 2011,		<u>504,204</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2011		<u>\$ 325,290</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, 2011

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.

At various times during the year, the Bureau's cash in bank balance exceeded the federally insured limits. At December 31, 2011, the Bureau's uninsured cash balance totaled \$ -0-. This uncollateralized balance subjects the Bureau's concentration of credit risk in excess of FDIC limits.

4. Accounts Receivable

Accounts Receivable consisted of a hotel occupancy tax collected by the Jefferson Parish Sheriff's office in the amount of \$ 69,024 and Louisiana Tourism Recovery Program reimbursement from Jefferson Parish in the amount of \$ 18,788.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2011

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, 2011 is \$10,120.

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 2011 for the subsequent year. Deferred Revenue at December 31, 2011 is \$ 8,900.

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, 2011, advertising expense which is composed of marketing and promotions was \$ 1,010,793.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2011

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 - CASH AND INVESTMENTS

Custodial credit risk is the risk that in the event of the failure of the counter party to a transaction, the Bureau will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

Investments held as of December 31, 2011 and 2010 include \$473,622 and \$317,561, respectively, in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2011 and 2010, is not categorized in the three risk categories provided by GASB Codification Section 150.125 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 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 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(I)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-I/P-I) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-I or A-1+ commercial paper.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2011

NOTE C - CASH AND INVESTMENTS - CONTINUE

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 have 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 SEC as an investment company.

NOTE D - 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, 2011 was \$ 6,332.

NOTE E - 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., LLC

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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 , as of and for the year ended December 31, 2011, and have issued my report thereon dated March 16, 2012 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

Management of Jefferson Convention and Visitors Bureau, Inc. is responsible for establishing and maintaining effective 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Convention and Visitors Bureau, Inc 's internal control over financial reporting Accordingly, I do not express an opinion on the effectiveness of Jefferson Convention and Visitors Bureau, Inc.'s internal control over financial reporting

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson Convention and Visitors Bureau, Inc's financial statements are free of material misstatement, I performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 instance of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Jefferson Parish Council, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.



Vincent R. Protti Jr., LLC
Certified Public Accountant
March 16, 2012