

DIVISION OF ADMINISTRATION  
STATE OF LOUISIANA



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AGREED-UPON PROCEDURES REPORT  
ISSUED AUGUST 24, 2005

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STEVE J. THERIOT, CPA  
LEGISLATIVE AUDITOR

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August 4, 2005

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

Ms. Jean S. Vandal, Deputy Commissioner  
Office of the Commissioner  
Division of Administration  
Post Office Box 94095  
Baton Rouge, Louisiana 70804-9095

We have performed the procedures enumerated below, which were agreed to by the Division of Administration (Division), solely to assist the Division in examining the statements furnished by the Tournament Players Club at Fairfield, L.L.C. (TPC) regarding TPC's cash flows and the total number of rounds of paid golf play at the TPC facility booked through participating hotels/motels within certain parishes, Harrah's Casino New Orleans, and the Audubon Golf Trail during the period from May 2004 through April 2005 (Attachment A, which is unaudited). TPC management is responsible for its statements regarding its cash flows and total number of rounds of paid golf play. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Division. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We compared the total number of paid golf rounds booked through participating hotels/motels, Harrah's Casino New Orleans, and the Audubon Golf Trail and reported by TPC during the period from May 2004 through April 2005 to the total paid golf rounds booked through participating hotels/motels, Harrah's Casino New Orleans, and the Audubon Golf Trail recorded during that period in the TPC's *Fore! Reservations Technology* reservation system.

## DIVISION OF ADMINISTRATION

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We noted the following differences:

<u>Month</u>	<u>Rounds Reported by TPC</u>	<u>Rounds Recorded by TPC</u>	<u>Differences Over/(Under)</u>
May 2004	442	394	(48)
June 2004	26	24	(2)
July 2004	38	34	(4)
August 2004	77	30	(47)
September 2004	42	35	(7)
October 2004	347	284	(63)
November 2004	176	121	(55)
December 2004	79	80	1
January 2005	101	105	4
February 2005	56	52	(4)
March 2005	110	111	1
April 2005	128	170	42
Total	<u>1,622</u>	<u>1,440</u>	<u>(182)</u>

2. We compared the total paid golf rounds booked through Harrah's Casino New Orleans recorded during the period from May 2004 through April 2005 in the TPC's *Fore! Reservations Technology* reservation system to the golf round bookings maintained by Harrah's Casino New Orleans for that period.

We found that during the period from May 2004 through April 2005, the paid golf rounds booked through Harrah's Casino New Orleans and recorded in the TPC's *Fore! Reservations Technology* reservation system totaled 280. During that same period, the paid golf round bookings recorded by Harrah's Casino New Orleans totaled 284, for a difference of four rounds.

3. We compared the total paid golf rounds booked through the Omni Royal Orleans Hotel recorded during the period from January 2005 through April 2005 in the TPC's *Fore! Reservations Technology* reservation system to the golf round booking records maintained by the Omni Royal Orleans Hotel for that period.

We noted no differences.

4. We compared the TPC's operating revenues and direct and overhead expenses for the period beginning January 2005 through April 2005 reported by TPC to the operating revenues and direct and overhead expenses recorded in the TPC general ledger for that period.

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## AGREED-UPON PROCEDURES REPORT

We noted the following:

January 2005 - Total operating revenue reported by TPC of \$182,603 was \$1,259 more (0.69%) than the total operating revenue of \$181,344 recorded in the TPC general ledger. No other differences were noted.

February 2005 - Direct expenses reported by TPC of \$280,256 was \$2,999 more (1.07%) than the direct expenses of \$277,257 recorded in the TPC general ledger. No other differences were noted.

March 2005 - No differences noted.

April 2005 - Total operating revenue reported by TPC of \$840,227 was \$703 more (0.08%) than the total operating revenue of \$839,524 reported in the TPC general ledger. Direct expenses reported by TPC of \$649,599 was \$45 less (0.01%) than the direct expenses of \$649,644 recorded in the TPC general ledger. No other differences were noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the records and books of TPC. Accordingly, we do not express such an opinion. Furthermore, we did not evaluate the effectiveness of TPC's controls over financial reporting or any part thereof, including TPC's internal control over recording the number of paid golf rounds booked through hotels/motels, Harrah's Casino New Orleans, and the Audubon Golf Trail. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Division and is not intended to be and should not be used by anyone other than that specified party.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

JMR:THC:ss



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# Attachment A

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TOURNAMENT PLAYERS CLUB of Louisiana  
 Full Year Operations  
 May 1, 2004 to April 30, 2005  
 Filename: Neworleans2004 & 2005 State Projection

	May 2004 Actual	Jun 2004 Actual	Jul. 2004 Actual	Aug. 2004 Actual	Sept 2004 Actual	Oct 2004 Actual	Nov 2004 Actual	Dec 2004 Actual	Jan 2005 Actual	Feb. 2005 Actual	Mar 2005 Actual	April 2005 Actual	Total Full Year
Total Operating Revenues	535,955	391,929	297,406	240,471	223,763	401,658	352,804	269,668	182,603	257,005	395,830	840,227	4,389,319
Total Direct Expenses	306,020	320,210	284,849	287,978	251,445	341,559	310,227	274,370	275,797	280,256	337,187	649,599	3,919,497
Income from Operations before Overhead	229,935	71,719	12,557	(47,507)	(27,682)	60,099	42,577	(4,702)	(93,194)	(23,251)	58,643	190,628	469,822
Overhead Expenses	112,361	135,103	127,320	129,403	129,435	129,113	131,170	131,869	136,682	134,364	130,100	135,655	1,562,575
Net Income Before Taxes & Depreciation	117,574	(63,384)	(114,763)	(176,910)	(157,117)	(69,014)	(88,593)	(136,371)	(228,876)	(157,615)	(71,457)	54,773	(1,092,753)
Depreciation	50,000	50,000	50,000	50,000	136,091	67,242	67,244	67,242	67,227	67,227	68,289	69,349	809,911
Net Income Before Taxes	\$67,574	(\$113,384)	(\$164,763)	(\$226,910)	(\$293,208)	(\$136,256)	(\$165,837)	(\$203,613)	(\$297,103)	(\$224,642)	(\$139,746)	(\$14,676)	(\$1,902,664)
Cash Flow:													
Net Income Before Taxes	\$67,574	(\$113,384)	(\$164,763)	(\$226,910)	(\$293,208)	(\$136,256)	(\$165,837)	(\$203,613)	(\$297,103)	(\$224,642)	(\$139,746)	(\$14,676)	(\$1,902,664)
Add Back Depreciation, Interest, and Reserve Funding	110,272	113,292	111,250	113,292	199,389	128,492	130,538	129,440	132,779	219,661	129,539	230,824	1,748,788
Less: Debt, Capital Expenditures and Reserves	78,342	74,930	70,172	70,512	70,009	73,853	74,135	154,548	98,897	135,743	106,318	402,866	1,408,318
Total Cash Flow	\$101,504	(\$75,022)	(\$123,685)	(\$184,130)	(\$163,828)	(\$81,617)	(\$99,438)	(\$228,721)	(\$263,221)	(\$140,904)	(\$116,525)	(\$186,617)	(\$1,562,196)
Number of Hotel Rounds	442	26	38	77	42	347	176	79	101	56	110	128	1,622

UNAUDITED

**TPC of LOUISIANA 2004-2005 HOTEL ROUNDS OF GOLF SUMMARY**

**First "Annual Period" - May 1, 2004 through April 30, 2005**

	2004	2004	2004	2004	2004	2004	2004	2004	2005	2005	2005	2005	2005	
	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	Total	
	Actual													
Hotel Rounds Played	442	26	38	77	42	347	176	79	101	56	110	128	1,622	
													Avg. per Mth	135

**UNAUDITED**