

City of Copperas Cove City Council Agenda Item Report

August 16, 2011

Agenda Item No. 4

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SUBJECT: Copperas Cove Chamber of Commerce Compilation Report

1. BACKGROUND/HISTORY

The signed agreement between the City of Copperas Cove and the Chamber of Commerce states that the Chamber will engage an independent certified public accountant to perform an attestation engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA).

The purpose of the engagement is to provide assurance to the City of Copperas Cove that tourism expenditures made from funds provide by the City of Copperas Cove have been spent in accordance with statues pertaining to the use of hotel occupancy tax dollars.

2. FINDINGS/CURRENT ACTIVITY

In accordance with the signed agreement on October 23, 2008, the Chamber is required to provide a report presenting the expenditures along with the Independent Certified Public Accountants' Opinion. This report should be provided to the entire City Council. Attached for your review is the 2010 Accountant's Compilation Report from Lott, Vernon, & Company, P.C.

3. FINANCIAL IMPACT

None.

UNAUDITED FINANCIAL STATEMENTS

**FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 2010**

**COPPERAS COVE CHAMBER OF COMMERCE
204 E. ROBERTSON AVE.
COPPERAS COVE, TX 76522**

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Copperas Cove Chamber of Commerce
204 E. Robertson Ave.
Copperas Cove, TX 76522

We have compiled the accompanying statement of financial position -income tax basis- of Copperas Cove Chamber of Commerce (a non-profit organization) as of December 31, 2010 and the related statement of activities and net assets -income tax basis- for the twelve months then ended, and the supporting schedule of tourism expenditures for the year ended December 31, 2011. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Lott, Vernon & Co., P.C.

July 28, 2011

Copperas Cove Chamber Of Commerce
Statement Of Financial Position - Income Tax Basis
December 31, 2010

Assets	
Current Assets	
Cash In Banks	\$ 85,545
Securities - Edward Jones	<u>5,346</u>
Total Current Assets	<u>90,891</u>
Accounts Receivable	\$ 35,000
Fixed Assets	
Equipment & Signage	36,594
Building	127,915
Land	3,742
Storage Building	6,000
Accumulated Depreciation	<u>(90,570)</u>
Total Fixed Assets	<u>83,681</u>
Total Assets	<u><u>\$ 209,572</u></u>
Liabilities And Net Assets	
Current Liabilities	
Accounts Payable	\$ 1,450
Payroll Taxes Payable	7,888
Current Portion - Extraco	<u>5,194</u>
Total Current Liabilities	14,532
Long Mortgage Payable Extraco	55,132
Less Current Portion	<u>(5,194)</u>
Total Long Term Liabilities	49,938
Total Liabilities	64,470
Net Assets	<u>145,102</u>
Total Liabilities And Net Assets	<u><u>\$ 209,572</u></u>

See Accountants' Compilation Report

Copperas Cove Chamber Of Commerce
Statement of Activities and Net Assets - Income Tax Basis
For The Twelve Months Ended December 31, 2010

Unrestricted Net Asset	
Support Programs	
Annual Banquet	\$ 10,320
Ambassadors	4,714
Military Affairs	11,541
Downtown Committee Activities	27,912
Joint Image	29,718
Tourism (Hotel Motel Tax)	186,000
Total Programs	<u>270,205</u>
Fundraisers	
Rabbit Fest	112,409
Krist Kindle Market	18,890
Bike Tours	3,834
Total Fundraisers	<u>135,133</u>
General	
Membership Services	44,924
Interest	913
Miscellaneous	6,466
Total General	<u>52,303</u>
Total Support	<u>457,641</u>
Expenses	
Programs	
Military Affairs	11,457
Membership Expense	14,507
Ambassador Expense	6,991
Joint Image	17,675
Community Activities	11,341
Total Programs	<u>61,971</u>
Fundraisers	
Rabbit Fest	62,044
Krist Kindl Market	3,427
Total Fund Raisere	<u>65,471</u>
Tourism Events	
Texas Music Jam	6,703
Bike and Run	20,566
Tourism Advertising	11,368
Tourism - Other	9,047
Total Tourism Events	<u>47,685</u>

See Accountants' Compilation Report

General	
Advertising	2,767
Auto Expense	113
Bank Fees	886
Cleaning	72
Depreciation	7,973
Dues & Subscriptions	2,746
Employee Appreciation	1,733
Employee Health Insurance	5,423
Equipment Rental	3,929
Insurance	5,338
Interest	3,031
Internet	936
Office	2,808
Payroll Costs	164,246
Postage & Printing	3,143
Property Taxes	2,700
Repair & Maintenance	9,840
Supplies	16,396
Telephone & Utilities	5,972
Theft Loss	1,977
Travel and Training	7,627
Utilities	5,927
Total General	<u>255,582</u>
Total Expenses	<u>430,709</u>
Increase In Unrestricted Assets	26,932
Net Assets Beginning Of The Year	<u>118,170</u>
Net Assets End Of The Year	<u>\$ 145,102</u>

See Accountants' Compilation Report

**Copperas Cove Chamber Of Commerce
Tourism Expenditures
For The Twelve Months Ended December 31, 2010**

	<u>Total To Allocate</u>	<u>Tourism Amount</u>
Hood Howdy		\$ 1,286.64
Operating		
Advertising	2,767.00	1,383.50
Bank Fees	886.00	221.50
Building		
Bldg Maint	7,507.32	1,876.83
Bldg Payments	8,526.24	2,131.56
Equipment Rental	3,928.64	982.16
Insurance	5,338.47	1,334.62
Internet	935.64	233.91
Postage and Printing	3,143.13	1,571.57
Property Taxes	2,700.00	675.00
Telephone	5,972.00	1,493.00
Utilities	5,927.00	1,481.75
Computer Maintenance	2,931.22	732.81
Internet	936.00	234.00
Office Supplies	16,396.00	8,198.00
Payroll Expenses	170,869.42	85,434.71
Training, Conferences, etc.	7,627.00	3,813.50
Rabbit Fest		
Advertising		9,373.00
Entertainment		6,900.00
Equipment Rental		2,222.00
Tourism		
Cowographers		1,500.00
Spooktacular		2,276.00
Joint Image Funds		17,675.15
Advertising		11,368.00
Bike/Run		20,566.00
Texas Music Jam		6,703.00
Total Tourism Expenditures		<u>\$ 191,668.20</u>