

City of Copperas Cove

City Council Information Item Report

September 16, 2014

Agenda Item No.

Contact – Velia Key Director of Financial Services, 547-4221
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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 provided by the City of Copperas Cove have been spent in accordance with statutes 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 2013 Accountant's Compilation Report from Lott, Vernon, & Company, P.C.

3. FINANCIAL IMPACT

None

UNAUDITED FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 2013

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



LOTT, VERNON & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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*Member of
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Certified Public Accountants*

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, 2013 and the related statement of activities and net assets –income tax basis, and the supporting schedule of tourism expenditures for the twelve months then ended. 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, the financial statements are not designed for those who are not informed about such matters.

A handwritten signature in cursive script that reads "Lott Vernon & Co. P.C.".

July 21, 2014

Copperas Cove Chamber of Commerce
Statement of Financial Position - Income Tax Basis
December 31, 2013

Assets	
Current Assets	
Cash In Banks	\$ 135,386
Securities - Edward Jones	20,789
Total Cash	156,175
Accounts Receivable	45,821
Fixed Assets	
Equipment & Signage	44,594
Building	127,915
Land	3,742
Storage Building	6,000
Accumulated Depreciation	(115,060)
Total Fixed Assets	67,191
Total Assets	\$ 269,187
Liabilities And Net Assets	
Current Liabilities	
Accounts Payable	\$ -
Payroll Taxes Payable	2,456
Current Portion - Extraco	6,317
Total Current Liabilities	8,773
Long Mortgage Payable Extraco	37,981
Less Current Portion	(6,317)
Total Long Term Liabilities	31,664
Total Liabilities	40,437
Net Assets	228,750
Total Liabilities And Net Assets	\$ 269,187

Copperas Cove Chamber of Commerce
Statement of Activities and Net Assets - Income Tax Basis
For The Twelve Months Ended December 31, 2013

Unrestricted Net Asset	
Support Programs	
Annual Banquet	\$ 10,676
Ambassadors	1,245
Military Affairs	17,500
Downtown Committee Activities	-
Joint Image	10,000
Donations	1,715
Tourism (Hotel Motel Tax)	<u>125,250</u>
Total Programs	<u>166,386</u>
Fundraisers	
Rabbit Fest	140,301
Krist Kindle Market	12,500
Carnival and Other Fund Raisers	4,398
Bike Tours	<u>9,569</u>
Total Fundraisers	<u>166,768</u>
General	
Membership Services	70,524
Interest	1,424
Dividends	-
Total General	<u>71,948</u>
Total Support	<u>405,102</u>
Expenses	
Programs	
Military Affairs	15,352
Membership Expense	7,087
Ambassador Expense	990
Joint Image	11,500
Community Activities	<u>5,816</u>
Total Programs	<u>40,745</u>
Fundraisers	
Rabbit Fest	64,040
Krist Kindl Market	6,914
Carnival and Other Fund Raisers	<u>1,980</u>
Total Fundraisers	<u>72,934</u>
Tourism Events	
Bike and Run	20,244
Hood Howdy	3,480
Tourism Advertising	15,208
Tourism - Other	<u>11,250</u>
Total Tourism Events	<u>50,182</u>

General	
Advertising	1,910
Auto Expense	311
Bank Expense	1,893
Depreciation	7,916
Dues and Subscriptions	2,004
Employee Appreciation	1,100
Equipment Rental	4,894
Insurance	7,837
Interest	2,208
Internet	935
Office	4,909
Payroll Costs	98,187
Health Ins	4,681
Payroll Tax	8,484
Postage and Printing	3,063
Professional Expense	1,700
Property Taxes	3,577
Repair and Maintenance	4,304
Supplies	25,998
Telephone	3,644
Travel and Training	5,223
Utilities	3,431
Total General	<u>198,209</u>
Total Expenses	<u>362,070</u>
Increase In Unrestricted Assets	43,032
Net Assets Beginning Of The Year	<u>185,718</u>
Net Assets End Of The Year	<u><u>\$ 228,750</u></u>