

FINANCIAL STATEMENTS AND
ACCOUNTANT'S REPORT
INSHORE FISHING ASSOCIATION, INC.
DECEMBER 31, 2003

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 9.1.04

INSHORE FISHING ASSOCIATION, INC.

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PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

To the Board of Directors
INSHORE FISHING ASSOCIATION, INC.
Longwood, Florida

We have compiled the accompanying balance sheet of INSHORE FISHING ASSOCIATION, INC. (an S corporation), as of December 31, 2003 and the related statements of operations, retained earnings and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

As disclosed in Note B to the financial statements, the Company's financial statements do not disclose the amount of accounts payable at December 31, 2003. Disclosure of this information is required by generally accepted accounting principles. The effects of this departure from generally accepted accounting principles on financial position, results of operations, and cash flows have not been determined.

As disclosed in Note B to the financial statements, generally accepted accounting principles require that fixed assets be depreciated over their estimated useful lives. The Company has computed depreciation on several fixed assets in accordance with the Modified Accelerated Cost Recovery System required for federal income tax purposes, which does not allocate depreciation to expense over the estimated useful lives of the assets. The effects of this departure from generally accepted accounting principles on financial position, results of operations, and cash flows have not been determined.

Pailet, Meunier and Le Blanc, L.L.P.

Metairie, Louisiana
July 7, 2004

3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002
Telephone (504) 837-0770 • Fax (504) 837-7102



201 St. Charles Ave., Suite 2559 • New Orleans, LA 70170
Telephone (504) 522-0504 • Fax (504) 837-7102



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**INSHORE FISHING ASSOCIATION, INC.
BALANCE SHEET**

December 31, 2003

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 38,293
Inventory	5,400
Accounts Receivable	37,219
Total Current Assets	<u>80,912</u>
Property and Equipment	
Automobiles	19,395
Equipment and Furniture	51,360
Less: Accumulated Depreciation	(46,260)
Total Property and Equipment	<u>24,495</u>
Other Assets	
Security Deposits	624
Total Other Assets	<u>624</u>
Total Assets	<u><u>\$ 106,031</u></u>

See accountant's report and notes to financial statements

**INSHORE FISHING ASSOCIATION, INC.
BALANCE SHEET**

December 31, 2003

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Prepaid Tournament Fees	\$ 87,077
Total Current Liabilities	<u>87,077</u>
Long-term Liabilities	
Loans From Shareholders	<u>183,500</u>
Total Long-term Liabilities	<u>183,500</u>
Total Liabilities	<u>270,577</u>
Stockholders' Equity	
Capital Stock	100
Accumulated Deficit	<u>(164,646)</u>
Total Stockholders' Equity	<u>(164,546)</u>
Total Liabilities and Stockholders' Equity	<u>\$ 106,031</u>

See accountant's report and notes to financial statements

INSHORE FISHING ASSOCIATION, INC.
STATEMENT OF OPERATIONS

For the year ended December 31,2003

Revenue	
Sale of Merchandise	\$ 25,533
Member Dues	21,980
Sponsorships	160,281
Grants - State of Louisiana	112,219
Tour Income	512,218
Television Production In-kind	45,000
Interest Income/Miscellaneous	6,647
Total Revenue	<u>883,878</u>
Cost of Revenue	
Tournament Prizes	473,941
Outside Services	87,445
Shirts and Trophies	10,185
Security	1,550
Measuring Boards	950
Total Cost of Revenue	<u>574,071</u>
Gross Profit	309,807
Expenses	
Advertising	18,519
Auto and Truck	7,941
Bank Charges	537
Boat Shows	1,730
Boat Expense	3,600
Clothing	23,848
Contract Services	19,146
Credit Card Fees	13,044
Depreciation	10,286
Dues & Subscriptions	7,370
Equipment Rental	11,313
Fuel	1,742

See accountant's report and notes to financial statements

**INSHORE FISHING ASSOCIATION, INC.
STATEMENT OF OPERATIONS**

For the year ended December 31, 2003

Insurance	3,310
Interest	2,629
Internet Services	7,809
Legal and Accounting	8,369
Licenses and Taxes	2,474
Lodging	16,638
Meals and Entertainment	13,050
Miscellaneous	590
Office Supplies	16,229
Park Entry Fees	1,225
Polygraph Tests	4,571
Postage	8,635
Printing	55,245
Promotional Fees	63,845
Rent	3,033
Repairs and Maintenance	1,620
Telephone	12,643
Television Production In-kind	45,000
Travel	21,759
Total Expenses	<u>407,750</u>
Net Loss	<u>\$ (97,943)</u>

See accountant's report and notes to financial statements

**INSHORE FISHING ASSOCIATION, INC.
STATEMENT OF RETAINED EARNINGS**

For the year ended December 31, 2003

Accumulated Deficit, January 1	\$ (66,703)
Net Loss	(97,943)
Distributions	<hr/>
Accumulated Deficit, December 31	<u>\$ (164,646)</u>

See accountant's report and notes to financial statements

**INSHORE FISHING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS**

For the year ended December 31, 2003

Cash flows from operating activities	
Net Income	\$ (97,943)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	6,794
(Increase) decrease in accounts receivable	(37,219)
(Increase) decrease in employee advances	31
(Increase) decrease in other assets	(624)
Increase (decrease) in prepaid tournament fees	(41,428)
Total adjustments	(72,446)
Net cash provided (used) by operating activities	(170,389)
Cash flow from investing activities:	
Cash payments for the purchase of property	(4,421)
Net cash provided (used) by investing activities	(4,421)
Cash flow from financing activities:	
Net loans from shareholders	122,000
Net cash provided (used) by financing activities	122,000
Net increase (decrease) in cash and equivalents	(52,810)
Cash and equivalents, beginning of year	91,103
Cash and equivalents, end of year	\$ 38,293
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest expense	\$ 2,629

See accountant's report and notes to financial statements

INSHORE FISHING ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2003

NOTE A - ORGANIZATION

INSHORE FISHING ASSOCIATION, INC. (the Company) was incorporated under the laws of the state of Florida on March 14, 2000. The Company was organized for the primary purpose of promoting fishing tournaments.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the corporation are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For purposes of statements of cash flows, cash and cash equivalents represent unrestricted cash and certificates of deposit with original maturities of 90 days or less. The carrying amount approximates fair value because of the short period to maturity of the instruments.

Cash and Other Deposits

All bank balances of deposits, up to \$100,000 in amount, as of December 31, 2003, are deposited in institutions insured by the FDIC. Account balances over \$100,000 have been collateralized with the Federal Reserve.

Allowance for Bad Debts

The Company considers accounts receivable to be fully collectible, accordingly, no allowance for doubtful accounts is required.

Capitalization and Depreciation

Property, equipment and improvements are recorded at cost. Depreciation is recorded using accelerated methods as set forth by the Internal Revenue Code. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

INSHORE FISHING ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Payable

The Company's financial statements do not disclose the amount of accounts payable at December 31, 2003. Disclosure of this information is required by generally accepted accounting principles.

Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be treated as an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. The State of Florida also recognizes the Company's election to be treated as an S corporation. Therefore, no provision or liability for federal or state income taxes have been included in the financial statements.

NOTE C - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE D - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Loan Payable - Shareholders

At December 31, 2003, the Company owes shareholders operating loans totaling \$183,500.

NOTE E - COMMON STOCK

Common stock consists of 100 shares of no-par stock authorized and issued at December 31, 2003.

NOTE F - GRANT REVENUE

Inshore Fishing Association received grant funds from the Louisiana Department of Economic Development to provide funds for the support and assistance to produce, host and conduct three first class fishing tournaments.

INSHORE FISHING ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2003

NOTE G -ADVERTISING

The Company incurred advertising costs of \$18,519 in 2003. These costs will be expensed in the financial statements as incurred.

NOTE H - TELEVISION PRODUCTION IN-KIND

The Fox Sports Network exchanged the production costs of the television shows for the right to televise these shows. The value of these costs have been estimated at \$45,000.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

INSHORE FISHING ASSOCIATION, INC.

For the year ended December 31, 2003

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Inshore Fishing Association, Inc.
Longwood, Florida

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Any Quasi-Public Entity, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Inshore Fishing Association, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. 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.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Inshore Fishing Associations, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
Louisiana Department of Economic Development	2002-2003		\$75,000
Total Expenditures			\$75,000

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002
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	Check		
<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Amount</u>
3/23/03	2418	Barry Greene	\$2,479.41
3/03/03	1886	The Laser's Edge, Inc.	\$5,717.95
1/17/03	1883	Florida Sportsman	\$950.00
2/11/03	1861	Tight Lines Communications	\$800.00
1/14/03	1835	Rigs, Reefs & Wrecks, Inc.	\$85.00
3/17/03	1896	Louisiana Sportsman Magazine	\$1,237.00

3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

Six of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the president of the company.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. No exceptions were noted.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. No exceptions were noted.

Reporting

We reviewed the previously listed disbursements for reporting requirements. No exceptions were noted.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Not applicable

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not applicable

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Inshore Fishing Association, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Not applicable

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. 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 use of management of Inshore Fishing Association, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Paillet, Meunier and Le Blanc, L.L.P.

July 7, 2004