

**OUACHITA ECONOMIC  
DEVELOPMENT CORPORATION**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2008**

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 7/22/09

OUACHITA ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL REPORT  
DECEMBER 31, 2008

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# MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

June 25, 2009

The Board of Directors  
Ouachita Economic Development Corporation  
Monroe, Louisiana

We have audited the accompanying statement of financial position of Ouachita Economic Development Corporation (a Non-profit Corporation) as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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; and the Louisiana Government Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Economic Development Corporation as of December 31, 2008, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2009, on our consideration of Ouachita Economic Development Corporation's internal control over financial reporting and on our 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 our 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 our audits.

The Board of Directors  
Ouachita Economic Development Corporation  
June 25, 2009  
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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Ouachita Economic Development Corporation taken as a whole. The accompanying financial information listed as Other Supplementary Information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Martin, Harrison + Smalwood, LLP*

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF FINANCIAL POSITION

	DECEMBER 31 2008
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 110,749
Unconditional Promises to Give	828,187
Prepaid Expenses	<u>5,671</u>
Total Current Assets	<u>944,607</u>
Temporarily Restricted Assets:	
Funding for Next Fiscal Year:	
Unconditional Promise to Give	<u>1,469,561</u>
Total Temporarily Restricted Assets	<u>1,469,561</u>
Fixed Assets:	
Office Furniture and Equipment	53,977
Less: Accumulated Depreciation	<u>49,208</u>
Net Fixed Assets	<u>4,769</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,418,937</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	\$ 311
Accrued liabilities	<u>225</u>
Total Current Liabilities	<u>536</u>
<b>TOTAL LIABILITIES</b>	<b><u>536</u></b>
<b>NET ASSETS</b>	
Unrestricted	140,415
Temporarily Restricted	<u>2,277,986</u>
Total Net Assets	<u>2,418,401</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,418,937</u></b>

The accompanying notes are an integral part of these financial statements.

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF ACTIVITIES

	FOR THE YEAR ENDED DECEMBER 31 <u>2008</u>
UNRESTRICTED NET ASSETS	
Support	
Local Governments	\$ 33,333
State of Louisiana	32,625
Private Funding	155,300
OEDC Land Operational Funding	45,000
Interest Income	2,930
Other Income	<u>5,063</u>
Total Unrestricted Support and Revenue	<u>274,251</u>
NET ASSETS RELEASED FROM RESTRICTIONS	
Local Governments	<u>16,667</u>
Total Reclassifications	<u>16,667</u>
Total Unrestricted Support, Revenue, and Reclassifications	<u>290,918</u>
EXPENSES	
Operating	
Personnel Costs	144,582
Marketing and Communication	1,130
Research	1,150
Professional Development	50
Strategic Planning	<u>213,388</u>
Total Operating Expenses	<u>360,300</u>
Administrative Expenses	<u>42,778</u>
Total Expenses	<u>403,078</u>
Decrease in Unrestricted Net Assets	(112,160)
TEMPORARILY RESTRICTED NET ASSETS	
Local Governments	700,602
Private Funding	1,577,384
Net Assets Released From Restrictions	
Ouachita Parish Police Jury Funding/City of Monroe	<u>(16,667)</u>
Increase in Temporarily Restricted Net Assets	<u>2,261,319</u>
INCREASE IN NET ASSETS	2,149,159
NET ASSETS - BEGINNING OF YEAR	<u>269,242</u>
NET ASSETS - END OF YEAR	<u>\$ 2,418,401</u>

The accompanying notes are an integral part of these financial statements.

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF CASH FLOWS

FOR THE YEAR  
ENDED  
DECEMBER 31  
2008

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 2,149,159
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	4,050
Changes in Assets and Liabilities:	
Unconditional Promises to Give	(2,281,081)
Accrued Interest Receivable	1,385
Prepays and Other	(211)
Accounts Receivable	7,057
Accounts Payable	(3,634)
Accrued Liabilities	(96)
Total Adjustments	<u>(2,272,530)</u>
Net Cash (Used) Provided by Operating Activities	<u>(123,371)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Proceeds of Investments	<u>52,356</u>
Net Cash (Used) Provided by Investing Activities	<u>52,356</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash (Used) by Financing Activities	<u>-</u>
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NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(71,015)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>181,764</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 110,749</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	<u>\$ -</u>
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The accompanying notes are an integral part of these financial statements.

## OUACHITA ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## NATURE OF OPERATIONS

Ouachita Economic Development Corporation (the Corporation) is a non-profit organization, which was incorporated on April 26, 1989, as the Ouachita Enterprise Corporation, for the purpose of "promoting the Parish of Ouachita and further to promote and develop economic development in the Parish of Ouachita".

On June 18, 1997, the name of the Corporation was changed to Ouachita Economic Development Corporation to more accurately reflect the purpose of the non-profit organization.

On August 1, 2005, the Ouachita Economic Development Corporation formed a new corporation by the name of OEDC Land Corporation. The objective and purpose of this new corporation is to promote, assist and benefit the mission of the Ouachita Economic Development Corporation, and to act as a primary and ongoing funding source for it; by engaging in any lawful activities which a non-profit corporation meeting the requirements of Section 501(C)(3) of the Internal Revenue Code of 1986. On October 23, 2008, the OEDC Land Corporation amended their articles of incorporation. The Ouachita Economic Development Corporation no longer has control of the OEDC Land Corporation's governing board, and will not be included as an affiliate in these financial statements.

## BASIS OF ACCOUNTING AND PRESENTATION

The financial statements of the Corporation have been prepared on the accrual basis of accounting. The significant accounting policies followed by the Corporation are described below to enhance the usefulness of the financial statements to the reader.

## REVENUE RECOGNITION

Support from local governmental entities is paid throughout each entity's fiscal year. It is the Corporation's policy to recognize this support in the period declared. Support from local businesses is recognized in the period received.

## FURNITURE AND EQUIPMENT

Furniture and equipment are stated at cost if purchased or estimated fair market value if donated. Expenditures for maintenance and repairs are charged to expense. Renewals and betterments of \$500 or more, that materially extend the life of the assets are capitalized. Depreciation is computed for financial statement purposes on the straight-line basis over the estimated useful lives of the related assets, which generally are either eight years for furniture and fixtures and five years for office equipment.



## OUACHITA ECONOMIC DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## PERVASIVENESS OF 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.

## INCOME TAX STATUS

The Corporation is a non-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

## ACCOUNTING PRONOUNCEMENTS

The Corporation adopted Statements of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, and No. 117, Financial Statements of Not-For-Profit Organizations effective January 1, 1996. In accordance with SFAS 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature and/or existence of any donor-imposed restrictions. SFAS 116 requires that such contributions be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restriction. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

## STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the Corporation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Agency transactions for flow-thru grants are included in the Statement of Cash Flows.

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2008

NOTE 2 – CASH AND INVESTMENTS

The Corporation's cash consist of funds on deposit with area financial institutions.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consists of the following:

	2008
Gross unconditional promises to give	\$ 1,482,675
Less: Unamortized discount	( 13,114)
Net unconditional promises to give	\$ 1,469,561
Amounts due in:	
One year or less	\$ 828,187
Two or three years	1,469,561
	\$ 2,297,748

Unconditional promises to give due in more than one year are recognized at fair value using present value techniques and a discount rate of .37% for 1 year and .76% for 2 years.

NOTE 4 – OPERATING LEASES

The Corporation had a five-year operating lease with an effective date of June 1, 2002, for its office space. The monthly payment was \$1,845. At August 1, 2007, a new 12-month lease was signed in which the monthly rent was reduced to \$1,200.

Subsequently, in March, 2008, another 12-month lease was signed with an effective date of April 1, 2008, and a monthly rental payment of \$932. Rent paid in 2008 was \$11,720.

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

Approximately 18% of the revenues recognized in 2008 were from the local governments. The unconditional promises to give at December 31, 2008 were 31% from local governments and 69% from private funding. The Corporation does not require any collateral in support of promises to give.

## OUACHITA ECONOMIC DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008

## NOTE 6 - EMPLOYEE PENSION PLAN

The Corporation provides a simplified employee pension plan for eligible employees. To participate in the plan, employees must be at least 21 years of age, employed one year and have received at least \$396 in compensation for services during the current year. The Corporation contributes 6% of participating employees' earnings. The Corporation contributed \$3,437 for the year ended December 31, 2008.

## NOTE 7 - RISK OF LOSS

The Corporation is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Corporation finances these potential losses through purchasing insurance. The level of coverage has remained constant. At this time, there are no known claims against the Corporation.

## NOTE 8 - CONTINGENT LIABILITIES

Under the Corporation's personnel policies, all unused vacation and sick leave lapse as of December 31. Therefore, no accrual is necessary for compensated absences.

## NOTE 9 - RELATED PARTIES

The office space leased by the Ouachita Economic Development Corporation is in an office building which is owned by a business in which a member of the board of directors is a part owner.

## NOTE 10 - SUBSEQUENT EVENT

As its name implies, Ouachita Economic Development Corporation addresses economic development in Ouachita Parish. Beginning on January 5, 2009, the Corporation changed its name to North Louisiana Economic Development Corporation to reflect its economic development promotions and activities in four additional parishes (Jackson, Lincoln, Richland and Union). The purpose of the renamed corporation is to "foster the economic development and the creation of quality jobs for the parishes of northern Louisiana through a comprehensive economic development program".

OTHER SUPPLEMENTARY INFORMATION

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULE OF OPERATING EXPENSES

	FOR THE YEAR ENDED DECEMBER 31 <u>2008</u>
<b>PERSONNEL COSTS</b>	
Wages and Salaries	\$ 119,368
Payroll Taxes	9,515
Retirement	3,437
Insurance	12,262
<i>Total Personnel Costs</i>	<u>144,582</u>
 <b>MARKETING AND COMMUNICATION</b>	
Entertainment	69
Recruiting	71
Travel and Lodging	89
Allied Organizations	756
Materials	145
<i>Total Marketing and Communication</i>	<u>1,130</u>
 <b>RESEARCH</b>	
Special Purpose	1,150
<i>Total Research</i>	<u>1,150</u>
 <b>PROFESSIONAL DEVELOPMENT</b>	
Travel and Lodging	50
Tuition and Fees	-
<i>Total Professional Development</i>	<u>50</u>
 <b>STRATEGIC PLANNING</b>	
Meetings	60
Supplies	28
Consultants	213,300
<i>Total Strategic Planning</i>	<u>213,388</u>
 <b>TOTAL OPERATING EXPENSES</b>	 <u>\$ 360,300</u>

The accompanying notes are an integral part of these financial statements.

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULE OF ADMINISTRATIVE EXPENSES

	FOR THE YEAR ENDED DECEMBER 31 <u>2008</u>
<b>OFFICE EXPENSES</b>	
Rent	\$ 11,720
Telephone	3,252
Bank Charges	1,185
Postage	191
Supplies	848
Dues and Subscriptions	888
Insurance - Office	3,450
Legal and Professional Fees	14,287
Total Office Expenses	<u>35,821</u>
 <b>EQUIPMENT MAINTENANCE AND RENTAL</b>	 <u>2,407</u>
 <b>TRAVEL</b>	
Meetings	89
Gas, Mileage and Maintenance	180
Total Travel	<u>269</u>
 <b>OTHER EXPENSES</b>	
Depreciation	4,051
Contract Labor	165
Taxes and Licenses	65
Total Other Expenses	<u>4,281</u>
 <b>TOTAL ADMINISTRATIVE EXPENSES</b>	 <u><u>\$ 42,778</u></u>

The accompanying notes are an integral part of these financial statements.

OTHER INDEPENDENT AUDITORS' REPORT

# MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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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

June 25, 2009

The Board of Directors  
Ouachita Economic Development Corporation

We have audited the financial statements of Ouachita Economic Development Corporation as of and for the year ended December 31, 2008, and have issued our report thereon dated June 25, 2009. We conducted our 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; and the Louisiana Governmental Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

## *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered Ouachita Economic Development Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ouachita Economic Development Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ouachita Economic Development Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management and employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



The Board of Directors  
Ouachita Economic Development Corporation  
June 25, 2009  
Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ouachita Economic Development Corporation's financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management, and the agencies granting funds to the Corporation, others within the entity, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Martin, Harrison & Smallwood, LLP*