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**OUACHITA ECONOMIC  
DEVELOPMENT CORPORATION  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2007 AND 2006**

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 7/30/08

OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE

CONSOLIDATED FINANCIAL REPORT  
DECEMBER 31, 2007

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

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

June 27, 2008

The Board of Directors  
Ouachita Economic Development Corporation  
Monroe, Louisiana

We have audited the accompanying consolidated statements of financial position of Ouachita Economic Development Corporation (a Non-profit Corporation) and affiliate as of December 31, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ouachita Economic Development Corporation and affiliate as of December 31, 2007 and 2006, and the changes in their net assets and their cash flows for the years 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 27, 2008, 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 27, 2008  
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Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements of Ouachita Economic Development Corporation and affiliate 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

*Martin, Harrison & Smallwood, LLP*

OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31	
	2007	2006
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,289,056	\$ 419,248
Investments	575,850	351,696
Accounts Receivable	7,057	3,034,394
Accrued Interest Receivable	4,078	2,063
Prepaid Expenses	6,903	10,670
Total Current Assets	3,882,944	3,818,071
Temporarily Restricted Assets:		
Funding for Next Fiscal Year:		
Unconditional Promise to Give	16,667	16,667
Total Temporarily Restricted Assets	16,667	16,667
Fixed Assets:		
Office Furniture, Equipment, and Automobile	56,151	122,086
Less: Accumulated Depreciation	46,789	99,621
Assets Held for Future Sale	-	159,810
Net Fixed Assets	9,362	182,275
<b>TOTAL ASSETS</b>	<b>\$ 3,908,973</b>	<b>\$ 4,017,013</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 4,645	\$ 23,890
Accrued liabilities	321	1,121
Notes Payable - Current	-	5,125
Total Current Liabilities	4,966	30,136
Long-Term Liabilities:		
Notes Payable - Long Term	-	2,664
Total Long-Term Liabilities	-	2,664
<b>TOTAL LIABILITIES</b>	<b>4,966</b>	<b>32,800</b>
<b>NET ASSETS</b>		
Unrestricted	3,887,340	3,967,546
Temporarily Restricted	16,667	16,667
Total Net Assets	3,904,007	3,984,213
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,908,973</b>	<b>\$ 4,017,013</b>

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

OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
<b>UNRESTRICTED NET ASSETS</b>		
Support		
City of Monroe	\$ 33,333	\$ 33,333
State of Louisiana	18,075	126,480
Private Funding	40,200	87,035
Rent - State of Louisiana Dept. of Social Services	-	294,618
Interest Income	175,599	15,317
Other Income	3,849	5,571
	<u>271,056</u>	<u>562,354</u>
Total Unrestricted Support and Revenue		
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Ouachita Parish Police Jury Funding/City of Monroe	16,667	166,667
Total Reclassifications	16,667	166,667
	<u>16,667</u>	<u>166,667</u>
Total Unrestricted Support, Revenue, and Reclassifications	<u>287,723</u>	<u>729,021</u>
<b>EXPENSES</b>		
Operating		
Personnel Costs	210,532	270,707
Marketing and Communication	3,176	6,066
Research	450	-
Professional Development	601	823
Strategic Planning	8,905	8,000
Loss on Sale of Assets	21,972	90,190
Total Operating Expenses	<u>245,636</u>	<u>375,786</u>
Administrative Expenses	<u>122,293</u>	<u>375,465</u>
Total Expenses	<u>367,929</u>	<u>751,251</u>
Decrease in Unrestricted Net Assets	<u>(80,206)</u>	<u>(22,230)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
City of Monroe Funding	16,667	16,667
Net Assets Released From Restrictions		
Ouachita Parish Police Jury Funding/City of Monroe	<u>(16,667)</u>	<u>(166,667)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>-</u>	<u>(150,000)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(80,206)</u>	<u>(172,230)</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,984,213</u>	<u>4,156,443</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,904,007</u>	<u>\$ 3,984,213</u>

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

OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Increase (Decrease) in Net Assets	\$ (80,206)	\$ (172,230)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	9,076	11,446
Changes in Assets and Liabilities:		
Unconditional Promises to Give	-	150,000
Accrued Interest Receivable	(2,015)	(1,487)
Prepays and Other	3,767	12,962
Accounts Receivable	3,027,337	(2,814,627)
Accounts Payable	(19,245)	6,635
Accrued Liabilities	(800)	(8,902)
Total Adjustments	3,018,120	(2,643,973)
Net Cash (Used) Provided by Operating Activities	2,937,914	(2,816,203)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Cash Proceeds (Purchase) of Investments	(224,154)	(302,940)
Sale of Fixed Asset	4,027	-
Sale of Assets Held for Sale	159,810	3,090,190
Net Cash (Used) Provided by Investing Activities	(60,317)	2,787,250
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on Long-Term Debt	(7,789)	(4,468)
Net Cash (Used) by Financing Activities	(7,789)	(4,468)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALEN	2,869,808	(33,421)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	419,248	452,669
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,289,056	\$ 419,248
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	\$ 208	\$ 508

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

## OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 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.

## PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Ouachita Economic Development Corporation and OEDC Land Corporation. Ouachita Economic Development Corporation has both an economic interest in OEDC Land Corporation and control of its governing board. All material inter-organization transactions have been eliminated.

## BASIS OF ACCOUNTING AND PRESENTATION

The consolidated 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 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 AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007

## 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 Consolidated 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 Consolidated Statement of Cash Flows.

## ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management does not feel that an adjustment should be made for uncollectible accounts due to the nature of the receivables.

OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007

NOTE 2 - CASH AND INVESTMENTS

The Corporation's cash and investments consist of funds on deposit with area financial institutions. The investment amounts at December 31, 2007 and 2006, are \$575,850 and \$351,696, respectively. These investments consist of certificates of deposits with average interest rates of 4.79% for 2007, and 5.04% for 2006. The carrying values of these investments approximate their market value.

The Corporation maintains cash balances at several financial institutions located in Ouachita Parish. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Corporation's uninsured cash balances total \$3,091,917 and \$328,498, for December 31, 2007 and 2006, respectively.

NOTE 3 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consists of \$16,667 to be received from the City of Monroe at December 31, 2007 and 2006, which is presented as "Temporarily Restricted Assets".

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. Rent paid in 2007 was \$18,992.

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. For 2008, future minimum lease payments under these two leases total \$11,988.

NOTE 5 - NOTES PAYABLE

On June 10, 2003, the Corporation entered into a five-year loan with Ford Motor Credit Company in monthly installments of \$451. The loan is secured by 2003 Ford Crown Victoria. The principal balance outstanding at December 31, 2006 was \$7,789. This loan was paid in full by the proceeds from the sale of the vehicle on August 22, 2007.

The Corporation's obligation under this note payable consist of the following:

	<u>2007</u>	<u>2006</u>
5.25% note payable, due in monthly installments of \$451.00, including interest, through July 10, 2008, secured by a lien on a 2003 Ford Crown Victoria.	\$ -	\$7,789
Total Notes Payable	<u>\$ -</u>	<u>\$7,789</u>

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****DECEMBER 31, 2007****NOTE 6 - CONCENTRATIONS OF CREDIT RISK**

Approximately 24% and 45%, respectively, of the revenues recognized in 2007 and 2006 were from the state and local governments, being the City of Monroe and the Ouachita Parish Police Jury. One hundred percent of the unconditional promises to give at December 31, 2007 and 2006 were from the same funding sources. The Corporation does not require any collateral in support of promises to give.

**NOTE 7 - 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 \$4,913 and \$9,963 for the years ended December 31, 2007 and 2006.

**NOTE 8 - DISPOSAL OF ASSETS IN CONTINUING OPERATIONS**

A gain is recognized on the sale of the 2003 Ford Crown Victoria. The gross proceeds received were \$7,775, and the adjusted basis of the vehicle was \$3,923. This resulted in a gain of \$3,852. A loss is recognized on the disposal of assets which were scrapped. The adjusted basis of these assets was \$104, the amount of the loss recognized.

**NOTE 9 - 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 10 - 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.

## OUACHITA ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2007

## NOTE 11 - INTER-ORGANIZATION TRANSACTIONS

When consolidating the Ouachita Economic Development Corporation and the OEDC Land Corporation, certain transactions between the two entities were eliminated to achieve the consolidated financial statements. The OEDC Land Corporation paid the Ouachita Economic Development Corporation \$8,385 and \$5,391 in management fees during the years ended December 31, 2007 and 2006. The expense on OEDC Land Corporation and the related revenue on Ouachita Economic Development Corporation for these fees were eliminated. Also, the Ouachita Economic Development Corporation made a transfer to the OEDC Land Corporation of assets held for sale in the amount of \$3,250,000 for the year ended December 31, 2006. For the year ended December 31, 2007, the OEDC Land Corporation made a transfer of funds to the Ouachita Economic Development Corporation in the amount of \$100,400 for the year ended December 31, 2007. These transfers were eliminated for consolidation purposes.

## NOTE 12 - RELATED PARTIES

The Ouachita Economic Development Corporation keeps an inventory of all properties that are available in the area for possible sites in which new businesses could locate. This is done to promote and facilitate the economic development of the area.

One of the properties in this inventory is owned by one of the board of directors of the Ouachita Economic Development Corporation.

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 13 - DISPOSAL LOSS IN CONTINUING OPERATIONS

A loss is recognized in operating expenses due to a sale of an asset held for sale. These assets were reported in 2005 as assets held for sale in the amount of \$3,250,000. It was determined in 2006 that the assets were separated into two groups for the assets to be sold. In December 2006, one of these groups was sold for \$3,000,000. This group had a cost basis of \$3,090,190, which resulted in a \$90,190 loss. The additional assets held for sale were sold during the year ended December 31, 2007, for \$137,838. This group had a cost basis of \$159,810, which resulted in a loss of \$21,972.

## NOTE 14 - SUBSEQUENT EVENT

On June 26, 2008, the Ouachita Economic Development Corporation's board of directors met and unanimously agreed to cease operating the Corporation, with no effective date. They agreed that the assets and employees would be contributed to the regional economic development corporation not yet named. At the date of this report, the Corporation's affiliate has not formally met regarding this issue.

**OTHER SUPPLEMENTARY INFORMATION**

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31	
	2007	2006
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 181,764	\$ 220,643
Investments	52,356	50,493
Accounts Receivable	7,057	31,198
Accrued Interest Receivable	1,385	991
Prepaid Expenses	5,460	9,138
Total Current Assets	248,022	312,463
Temporarily Restricted Assets:		
Funding for Next Fiscal Year:		
Unconditional Promise to Give	16,667	16,667
Total Temporarily Restricted Assets	16,667	16,667
Fixed Assets:		
Office Furniture, Equipment, and Automobile	53,977	119,912
Less: Accumulated Depreciation	45,158	98,715
Net Fixed Assets	8,819	21,197
<b>TOTAL ASSETS</b>	<b>\$ 273,508</b>	<b>\$ 350,327</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 3,945	\$ 10,487
Accrued liabilities	321	765
Notes Payable - Current	-	5,125
Total Current Liabilities	4,266	16,377
Long-Term Liabilities:		
Notes Payable - Long Term	-	2,664
Total Long-Term Liabilities	-	2,664
<b>TOTAL LIABILITIES</b>	<b>4,266</b>	<b>19,041</b>
<b>NET ASSETS</b>		
Unrestricted	252,575	314,619
Temporarily Restricted	16,667	16,667
Total Net Assets	269,242	331,286
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 273,508</b>	<b>\$ 350,327</b>

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

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES**

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
<b>UNRESTRICTED NET ASSETS</b>		
Support		
City of Monroe	\$ 33,333	\$ 33,333
State of Louisiana	18,075	126,480
Monroe/West Monroe Convention & Visitors Bureau	-	-
Private Funding	40,200	87,035
Transfer in from OEDC Land Corporation	100,400	-
Interest Income	7,520	4,694
Management Fees	8,385	5,391
Other Income	3,849	5,571
Total Unrestricted Support and Revenue	211,762	262,504
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
City of Monroe Funding	16,667	16,667
Ouachita Parish Police Jury Funding	-	150,000
Total Reclassifications	16,667	166,667
Total Unrestricted Support, Revenue, and Reclassifications	228,429	429,171
<b>EXPENSES</b>		
Operating		
Personnel Costs	210,362	235,902
Marketing and Communication	3,176	6,066
Research	450	-
Professional Development	601	823
Strategic Planning	8,905	8,000
Total Operating Expenses	223,494	250,791
Administrative Expenses	66,979	85,382
Transfer Out to OEDC Land Corporation	-	3,250,000
Total Expenses	290,473	3,586,173
Decrease in Unrestricted Net Assets	(62,044)	(3,157,002)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
City of Monroe Funding	16,667	16,667
Net Assets Released From Restrictions		
Ouachita Parish Police Jury Funding/City of Monroe	(16,667)	(166,667)
Increase (Decrease) in Temporarily Restricted Net Assets	-	(150,000)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(62,044)	(3,307,002)
<b>NET ASSETS - BEGINNING OF YEAR</b>	331,286	3,638,288
<b>NET ASSETS - END OF YEAR</b>	\$ 269,242	\$ 331,286

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

OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULES OF OPERATING EXPENSES

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
<b>PERSONNEL COSTS</b>		
Wages and Salaries	\$ 178,909	\$ 189,349
Temporary Office Help	-	5,210
Payroll Taxes	14,393	15,603
Retirement	4,913	9,963
Insurance	12,147	15,777
Total Personnel Costs	<u>210,362</u>	<u>235,902</u>
<b>MARKETING AND COMMUNICATION</b>		
Entertainment	118	50
Recruiting	730	896
Advertising	1,208	72
Web Site Development and Maintenance	400	-
Allied Operations	622	4,197
Professional Services	-	100
State Farm Building Expense	98	751
Total Marketing and Communication	<u>3,176</u>	<u>6,066</u>
<b>PROFESSIONAL DEVELOPMENT</b>		
Travel and Lodging	475	533
Tuition and Fees	126	290
Total Professional Development	<u>601</u>	<u>823</u>
<b>RESEARCH</b>		
Special Purpose	450	-
Total Research	<u>450</u>	<u>-</u>
<b>STRATEGIC PLANNING</b>		
Meetings	1,586	-
Supplies	836	-
Consultants	6,483	8,000
Total Strategic Planning	<u>8,905</u>	<u>8,000</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>\$ 223,494</u></u>	<u><u>\$ 250,791</u></u>

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



OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
SCHEDULES OF ADMINISTRATIVE EXPENSES

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
<b>OFFICE EXPENSES</b>		
Rent	\$ 18,992	\$ 21,756
Telephone	7,256	9,532
Bank Charges	193	90
Postage	322	1,124
Supplies	2,112	4,678
Dues and Subscriptions	363	80
Insurance - Office	5,224	4,230
Legal and Professional Fees	15,794	11,662
Total Office Expenses	50,256	53,152
 <b>EQUIPMENT MAINTENANCE AND RENTAL</b>	 4,237	 3,160
 <b>TRAVEL</b>		
Meetings	491	2,279
Insurance - Auto	1,352	1,835
Interest - Auto	208	508
Gas, Mileage and Maintenance	1,830	4,261
Total Travel	3,881	8,883
 <b>OTHER EXPENSES</b>		
Depreciation	8,351	10,721
Disposal of fixed assets	104	-
Contract Labor	-	9,313
Taxes and Licenses	150	153
Total Other Expenses	8,605	20,187
 <b>TOTAL ADMINISTRATIVE EXPENSES</b>	 \$ 66,979	 \$ 85,382

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

OEDC LAND CORPORATION  
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31	
	2007	2006
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,107,292	\$ 198,605
Investments	523,494	301,203
Accounts Receivable	-	3,003,196
Accrued Interest Receivable	2,693	1,072
Prepaid Expenses	1,443	1,532
Total Current Assets	3,634,922	3,505,608
Fixed Assets:		
Equipment	2,174	2,174
Less: Accumulated Depreciation	1,631	906
Assets Held for Future Sale	-	159,810
Net Fixed Assets	543	161,078
<b>TOTAL ASSETS</b>	<b>\$ 3,635,465</b>	<b>\$ 3,666,686</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 700	\$ 13,403
Accrued Liabilities	-	356
Total Current Liabilities	700	13,759
<b>TOTAL LIABILITIES</b>	<b>700</b>	<b>13,759</b>
<b>NET ASSETS</b>		
Unrestricted	3,634,765	3,652,927
Total Net Assets	3,634,765	3,652,927
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,635,465</b>	<b>\$ 3,666,686</b>

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

OEDC LAND CORPORATION  
STATEMENTS OF ACTIVITIES

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
UNRESTRICTED NET ASSETS		
Support		
Rent - State of Louisiana Dept. of Social Services	\$ -	\$ 294,618
Interest Income	168,079	10,623
Transfer In From Ouachita Economic Development Corporatio	-	3,250,000
	168,079	3,555,241
Total Unrestricted Support and Revenue		
EXPENSES		
Operating		
Personnel Costs	170	34,805
Loss From Sale of Assets	21,972	90,190
Total Operating Expenses	22,142	124,995
Administrative Expenses	63,699	295,474
Transfer out to OEDC	100,400	-
Total Expenses	186,241	420,469
INCREASE (DECREASE) IN NET ASSETS	(18,162)	3,134,772
NET ASSETS - BEGINNING OF YEAR	3,652,927	518,155
NET ASSETS - END OF YEAR	\$ 3,634,765	\$ 3,652,927

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

OEDC LAND CORPORATION  
SCHEDULES OF OPERATING EXPENSES

	FOR THE YEAR ENDED DECEMBER 31	
	<u>2007</u>	<u>2006</u>
<b>PERSONNEL COSTS</b>		
Wages and Salaries	\$ -	\$ 32,164
Payroll Taxes	170	2,641
Total Personnel Costs	<u>170</u>	<u>34,805</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 170</u>	<u>\$ 34,805</u>

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

OEDC LAND CORPORATION  
SCHEDULES OF ADMINISTRATIVE EXPENSES

	FOR THE YEAR ENDED DECEMBER 31	
	2007	2006
OFFICE EXPENSES		
Telephone	\$ 199	\$ 1,406
Bank Charges	900	460
Dues	-	290
Utilities	12,699	99,515
Rent	425	-
Supplies	-	285
Security	4,992	49,713
Insurance - Office	2,398	9,929
Legal and Professional Fees	9,341	12,829
Total Office Expenses	30,954	174,427
 BUILDING & EQUIPMENT MAINTENANCE	 16,471	 113,078
 OTHER EXPENSES		
Depreciation	725	725
Management Fee	8,385	5,391
Miscellaneous	7,164	1,413
Taxes and Licenses	-	440
Total Other Expenses	16,274	7,969
 TOTAL ADMINISTRATIVE EXPENSES	 \$ 63,699	 \$ 295,474

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

**OTHER INDEPENDENT AUDITORS' REPORT**

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

CERTIFIED PUBLIC ACCOUNTANTS

2808 KILPATRICK BLVD., P.O. BOX 4044 – MONROE, LA 71211-4044 – (318) 388-0500  
302 DEPOT STREET, SUITE A – DELHI, LA 71232 – (318) 878-5573

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 27, 2008

The Board of Directors  
Ouachita Economic Development Corporation

We have audited the consolidated financial statements of Ouachita Economic Development Corporation and affiliate as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 27, 2008. We conducted our audits 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 audits, we considered Ouachita Economic Development Corporation and affiliate's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ouachita Economic Development Corporation and affiliate's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ouachita Economic Development Corporation and affiliate'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 27, 2008  
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 and affiliate's consolidated 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*