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**OUACHITA ECONOMIC
DEVELOPMENT CORPORATION**

**Financial Statements
For the Years Ended December 31, 2000 and 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the county and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Released Date 5/15/02

OLLAUCHITA ECONOMIC DEVELOPMENT CORPORATION

DECEMBER 31, 2001 AND 2000

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**Lufley
Huffman
& Monroe**

AN INDEPENDENT ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Ouachita Economic Development Corporation
Monroe, Louisiana**

We have audited the accompanying statements of financial position of **Ouachita Economic Development Corporation (the Corporation)** as of December 31, 2001 and 2000, and the related statements of activities and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards for 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2001 and 2000, and the changes in its net assets and its 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 March 11, 2002 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

**Ouachita Economic Development Corporation
Monroe, Louisiana**

Our audit was made for the purpose of forming an opinion on the basic financial statements referred to above taken as a whole. The accompanying financial information listed as Supplementary Information Schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Corporation. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



(A Professional Accounting Corporation)

March 11, 2002

QUACHITA ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2001	2000
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 265,447	\$ 82,093
Investments	260,265	306,196
Unconditional Promises to Give - Unrestricted	-	16,217
Interest Receivable	9,825	3,893
Prepaid Expenses	1,384	976
Total Current Assets	436,921	411,475
Temporarily Restricted Assets		
Funding for Next Fiscal Year		
Unconditional Promises to Give	85,000	150,000
Total Temporarily Restricted Assets	85,000	150,000
Furniture and Equipment		
Furniture and Equipment	76,292	83,888
Less: Accumulated Depreciation	(38,178)	(33,828)
Net Furniture and Equipment	38,114	50,060
Other Assets		
Security Deposit	400	400
Total Other Assets	400	400
TOTAL ASSETS	\$ 608,635	\$ 672,935
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 107	\$ 373
Payroll Taxes Payable	561	1,999
Other Account Liabilities	3,465	1,183
Total Current Liabilities	4,133	3,555
Net Assets		
Unrestricted	511,231	518,486
Temporarily Restricted	85,000	150,000
Total Net Assets	596,231	668,486
TOTAL LIABILITIES AND NET ASSETS	\$ 690,635	\$ 672,935

The accompanying notes are an integral part of this statement.

QUACHITA ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES

December 31,
2001 2000

Unrestricted Net Assets

Support

City of Monroe	\$ 99,996	\$ 154,000
City of West Monroe	-	50,000
Business Sector	67,488	70,988
Revenues	22,998	15,140
Other Income	794	5,762
Interest Income	<u>13,322</u>	<u>18,688</u>
Total Unrestricted Support	218,598	312,488

Net Assets Released From Restrictions

Quachita Parish Police Jury Funding	100,000	100,000
Business Sector Funding	-	3,900
Total Releasifications	<u>100,000</u>	<u>103,900</u>

Total Unrestricted Support and Releasifications 318,598 416,388

Expenses

Operating -

Personnel Costs	168,708	217,768
Marketing and Communication	68,998	40,516
Research	20,358	15,894
Professional Development	<u>2,813</u>	<u>5,748</u>
Total Operating Expenses	<u>260,877</u>	<u>279,926</u>
Administrative Expenses	<u>82,914</u>	<u>75,295</u>

Total Expenses 343,791 355,221

Increase (Decrease) in Unrestricted Net Assets (25,193) 61,167

Temporarily Restricted Net Assets

Quachita Parish Police Jury Funding	85,800	100,800
Net Assets Released From Temp Restrictions		
Quachita Parish Police Jury Funding	(100,800)	(100,800)
Business Sector Funding	<u>-</u>	<u>(1,583)</u>

Increase in Temporarily Restricted Net Assets (15,000) (1,583)

Increase (Decrease) in Net Assets (40,193) 59,584

Net Assets at Beginning of Year 568,485 563,224

NET ASSETS AT END OF YEAR **\$ 528,292** **\$ 622,808**

The accompanying notes are an integral part of this statement.

QUACHTA ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS

	December 31,	
	2001	2000
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ (72,216)	\$ 105,262
Adjustments to Reverse (to Increase (Decrease)) in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	17,583	15,234
Changes in assets and liabilities:		
Unconditional Promises to Give	141,337	321
Prepays and Other	(4,288)	73
Agency Transactions—Grants Received for Others	47,552	3,638
Agency Transactions—Grants Disbursed to Others	(47,552)	(3,628)
Accounts Payable	(36)	(335)
Payroll Taxes Payable	(3,288)	(5,512)
Accrued Expenses	2,282	1,182
Total Adjustments	135,380	32,983
Net Cash Provided by Operating Activities	63,164	138,245
Cash Flows From Investing Activities		
Cash Proceeds (Purchase) of Investments	45,821	(24,985)
Purchase of Furniture and Equipment	(15,245)	(21,565)
Net Cash Provided (Used) by Investing Activities	30,576	(76,550)
Net Increase in Cash	93,740	61,695
Cash and Cash Equivalents, Beginning of Year	82,093	42,365
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 175,833	\$ 104,060

QUACHITA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

Note 1 - Summary of Significant Accounting Policies

Organization

The Quachita Economic Development Corporation (the Corporation) is a non-profit organization which was incorporated on April 26, 1993, as the Quachita Enterprise Corporation, for the purpose of "promoting the Parish of Quachita and further to promote and develop economic development in the Parish of Quachita."

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

Basis of Accounting

The financial statements of the Corporation are presented 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 or five years for office equipment.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

QUACHITA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

Income Taxes

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

Accounting Principles

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, 1998. 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.

Statements of Cash Flows

For purposes of the Statements 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 Statements of Cash Flows.

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, 2001 and 2000 are \$260,265 and \$308,126 respectively. These investments consist of certificates of deposits with interest rates of 4.2% to 6.5%. The carrying values of these investments approximate their market value.

Note 3 - Unconditional Promises to Give

Unconditional promises to give consists of \$85,000 to be received from Ouachita Parish Police Jury at December 31, 2001, which is presented as "Temporarily Restricted Assets".

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

Unconditional promises to give consist of the following at December 31, 2000:

	Current	Subsequent
City of Monroe	\$ 51,337	\$ -
City of West Monroe	25,000	-
Ouachita Parish Police Jury	-	150,000
	\$ 76,337	\$ 150,000

Note 4 - Operating Leases

The Corporation has a three year operating lease with an effective date of February 1, 2000 for its office space. The monthly payment is \$1,000. Future minimum lease payments under this lease are \$12,000 in 2002 and \$1,000 in 2003.

The Corporation also has a three year operating lease for an automobile. The lease began in June of 2000 and will end in May of 2003. The monthly payment is \$450. Future minimum lease payments under this lease are \$5,400 in 2002, and \$2,250 in 2003.

Note 5 - Concentrations of Credit Risk

At December 31, 2001 and 2000, the Corporation had funds on deposit with a single financial institution that exceeded the amount covered through the FDIC by \$16,756 and \$38,159 respectively.

Approximately 70% and 75% of the revenues recognized in 2001 and 2000 were from the local governments, being the City of Monroe, City of West Monroe and the Ouachita Parish Police Jury. One hundred percent of the unconditional promises to give at December 31, 2001 and 2000 was from the same funding sources. However, for the year 2001, City of West Monroe did not commit to fund the corporation and City of Monroe cut their funding from \$154,000 to \$100,000. For the year 2000, Ouachita Parish Police Jury cut their funding from \$150,000 to \$85,000. Failure of Ouachita Parish Police Jury to perform could impact the Corporation's ability to collect \$85,000 in 2002. The Corporation does not require any collateral in support of promises to give.

Note 6 - Agency Transactions

During 2000 and 2000 the Corporation received workforce development grants of \$47,552 and \$3,628, respectively on behalf of business entities in the community. These grants are to be used only by the particular business as stipulated in the grant. Since the Corporation did not have any discretion over the use of the grants received, these

OUACHITA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 2000

transactions were recorded as agency transactions and are not reflected in the statement of activities.

Note 7 - Employee Retirement 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 \$8,695 and \$14,763 for the years ended December 31, 2000 and 2000 respectively.

SUPPLEMENTARY INFORMATION SCHEDULES

OUACHITA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULES OF OPERATING EXPENSES

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Personnel Costs		
Wages and Salaries	\$ 148,235	\$ 181,274
Payroll Taxes	10,943	14,382
Retirement	8,985	10,783
Insurance	20,532	21,885
Total Personnel Costs	<u>188,705</u>	<u>227,724</u>
Marketing and Communication		
Materials	4,264	484
Kiosks/booths	24,276	14,579
Advertising	1,231	3,365
Travel and Lodging	9,317	4,179
Professional Services	23,688	32,543
Allied Operations	1,513	3,128
Miscellaneous	2,305	328
Total Marketing and Communication	<u>68,595</u>	<u>48,516</u>
Research		
Ongoing Research	11,325	8,700
Publications	-	327
On-Line Charges	4,033	7,413
Special Purpose	11,380	24
Total Research	<u>26,738</u>	<u>13,864</u>
Professional Development		
Travel and Lodging	1,379	4,011
Tuition and Fees	1,404	1,770
Total Professional Development	<u>2,783</u>	<u>5,781</u>
TOTAL OPERATING EXPENSES	<u>\$ 284,653</u>	<u>\$ 289,925</u>

OUACHITA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULES OF ADMINISTRATIVE EXPENSES

	<u>December 31,</u>	
	<u>2001</u>	<u>2000</u>
Office Expenses		
Rent	\$ 12,000	\$ 11,850
Telephone	7,326	8,217
Postage	2,887	3,675
Supplies	8,752	9,849
News and Subscriptions	3,360	4,364
Insurance - Office	3,629	3,141
Legal and Professional Fees	8,727	8,932
Total Office Expenses	<u>48,881</u>	<u>58,128</u>
Auto Lease	5,450	7,326
Equipment Maintenance and Rental	3,326	116
Travel and Meetings		
Travel	756	868
Insurance - Auto	3,295	3,804
Meetings	2,096	2,056
Total Travel and Meetings	<u>5,147</u>	<u>4,928</u>
Other Expenses		
Depreciation	17,983	15,254
Miscellaneous	562	517
Taxes and Licenses	3	3
Total Other Expenses	<u>18,548</u>	<u>15,778</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 82,954</u>	<u>\$ 78,298</u>



**Luffey
Huffman
& Monroe**

An American Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Ouachita Economic Development Corporation
Monroe, Louisiana**

We have audited the financial statements of **Ouachita Economic Development Corporation** (the Corporation), a nonprofit organization, as of and for the years ended December 31, 2001 and 2000 and have issued our report thereon dated March 11, 2002. We conducted our audit in accordance with generally accepted auditing standards, the standards for 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.

Compliance

As part of obtaining reasonable assurance about whether Ouachita Economic Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ouachita Economic Development Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to financial statements being audited may occur and not

**Qualita Economic Development Corporation
Monroe, Louisiana**

be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the management of the Corporation, other agencies granting funds to the Corporation and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



(A Professional Accounting Corporation)

March 11, 2002