

**MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED
MONROE, LOUISIANA**

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 8-9-06

**FINANCIAL STATEMENTS
AND COMPILATION REPORT
AND AGREED-UPON PROCEDURES
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended December 31, 2005**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

**141 DESLARD STREET, SUITE 325
OFFICE 318-387-8008**

**MONROE, LOUISIANA 71201
FAX 318-387-0806**

**MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS
AND COMPILATION REPORT
AND AGREED-UPON PROCEDURES
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended December 31, 2005**

**MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED
Monroe, Louisiana**

**Financial Statements
and Compilation Report
and Applying Agreed-Upon Procedures
with Supplemental Information
As of and for the Year Ended December 31, 2005**

CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Compilation Report		1
Financial Statements		
Statement of Financial Position	A	3
Statement of Activities	B	4
Statement of Cash Flows	C	5
Notes to the Financial Statements		6-7
Independent Accountant's Report on Applying Agreed-Upon Procedures		8-10
Supplemental Information		
Schedule of Functional Expenses		12
Schedule of Activities-Budget to Actual (2005)		13



ROSIE D. HARPER
Certified Public Accountant LLP

141 DeSiard Street, Suite 325
Monroe, Louisiana 71201

Office 318-387-8008
FAX 318-387-0806

Compilation Report

To the Board of Directors of
Minority Business Council Of Northeast Louisiana, Incorporated

I have compiled the accompanying statement of financial position for Minority Business Council Of Northeast Louisiana, Incorporated (a nonprofit organization) as of December 31, 2005, and the related statements of activities, functional expenses, 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 information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
June 27, 2006

FINANCIAL STATEMENTS

MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED

Statement A

Statement of Financial Position
December 31, 2005

Assets

Cash	\$ 12,223
Other Receivable	<u>3,863</u>
Total Assets	<u>16,086</u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	<u>4,477</u>
Total Liabilities	<u>4,477</u>

Net Assets	<u>11,609</u>
Total Liabilities and Net Assets	<u>\$ 16,086</u>

See Accountants Compilation Reports and Notes to Financial Statements.

MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED

Statement B

Statement of Activities
For the Year Ended
December 31, 2005

UNRESTRICTED NET ASSETS

Support

Other Revenues	\$ 3,869
Total Support	<u>3,869</u>

TOTAL UNRESTRICTED SUPPORT 3,869

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	<u>108,985</u>
------------------------------------	----------------

TOTAL UNRESTRICTED SUPPORT AND
RECLASSIFICATION 112,854

Expenses

Program Expense	<u>111,567</u>
Total Expenses	<u>111,567</u>

Change in Unrestricted Net Assets 1,287

TEMPORARILY RESTRICTED NET ASSETS

Grants	
State	108,985

Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>(108,985)</u>

Change in Temporarily Restricted Net Assets -

Change in Net Assets 1,287

Net Assets as of Beginning of Year 10,322

Net Assets as of End of Year \$ 11,609

See Accountants Compilation Reports and Notes to Financial Statements.

MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED

Statement C

Statement of Cash Flows
For the Year Ended
December 31, 2005

Operating Activities	All Funds
Change in Net Assets	\$ 1,287
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Grants Receivable	16,015
Increase in Due from Employees	(2,843)
Decrease in Accrued Liabilities	<u>(8,255)</u>
Total Adjustments	<u>4,917</u>
Net Cash Provided by Operating Activities	<u>6,204</u>
Cash and Cash Equivalents as of Beginning of Year	<u>6,019</u>
Cash and Cash Equivalents as of the End of Year	<u>\$ 12,223</u>

See Accountants Compilation Reports and Notes to Financial Statements.

**Minority Business Council Of Northeast Louisiana, Incorporated
Monroe, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2005**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Minority Business Council Of Northeast Louisiana, Incorporated (a private non-profit organization) is domiciled in the State of Louisiana at Monroe, Louisiana. The Organization is recognized as a tax-exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The organization was established to promote, through cooperation, an environment for the participation of minorities in the economic growth and development of Northeast Louisiana. A Board of Directors governs the Organization. The board members receive no compensation.

Basis of Presentation

For the period ended December 31, 2005, the Organization followed the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

Public Support and Revenue

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenues and public support consist mainly of state grants, membership dues, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may

Minority Business Council Of Northeast Louisiana, Incorporated
Notes to Financial Statements (Continued)

deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks, organized under Louisiana law, and national banks having their principal offices in Louisiana. At December 31, 2005, Minority Business Council Of Northeast Louisiana, Incorporated had cash as follows:

Unrestricted	<u>\$ 12,223</u>
Total Unrestricted Cash	<u><u>\$ 12,223</u></u>

The Organization had no cash equivalent for the year ended December 31, 2005.

NOTE B. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE C. OTHER RECEIVABLE

For the year ending December 31, 2005, the Organization had a miscellaneous receivable, which consisted of the following:

Payroll Tax Withholding	
Reimbursement due from Employees	<u>\$ 3,863</u>
Total Other Receivable	<u><u>\$ 3,863</u></u>

This receivable resulted from the Organization's failure to withhold the appropriate amount of payroll taxes from the employees' check.

NOTE D. ACCRUED LIABILITIES

At December 31, 2005, the Organization had accrued liabilities consisting of the following:

Accounts Payable	\$ 623
Payroll Liabilities	<u>3,854</u>
Total Accrued Liabilities	<u><u>\$ 4,477</u></u>

NOTE E. BUDGET PRACTICES

The Organization prepares an annual budget that is approved by the Board of Directors prior to being submitted to the granting authority.



**Independent Accountant's Report
 on Applying Agreed-Upon Procedures**

To the Management of Minority Business Council Of Northeast Louisiana, Incorporated

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Minority Business Council Of Northeast Louisiana, Incorporated, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Minority Business Council Of Northeast Louisiana, Incorporated's, compliance with certain laws and regulations during the year ended December 31, 2005 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, I 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.

Minority Business Council Of Northeast Louisiana, Incorporated's Federal Award Expenditures for all Federal programs for the fiscal year follow:

State Grant Name	Grant Year	CFDA No.	Amount
Louisiana Department of Economic Development	12/31/05	N/A	\$108,985
Total Expenditures			\$108,985

2. For each Federal, State, and Local Award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

Minority Business Council Of Northeast Louisiana, Incorporated
Independent Accountant's Report on Applying Agreed-Upon Procedures
(Continued)

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

I 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, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the board of directors.

6. For the items selected in Procedure 2: for federal awards, this procedure does not apply because the Organization had no federal awards.

7. For the programs selected for testing in procedure 2 that have been closed out during the period under review, compare the closeout report, when required, with the entity's financial records to determine whether the amounts agree.

When each of the six items tested in procedure 2 were compared with the closeout reports, the amount in the close out report agreed with the entity's financial records.

Open Meetings

8. N/A

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I 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.

Minority Business Council Of Northeast Louisiana, Incorporated 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. N/A

Minority Business Council Of Northeast Louisiana, Incorporated
Independent Accountant's Report on Applying Agreed-Upon Procedures
(Continued)

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Minority Business Council Of Northeast Louisiana, Incorporated, 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.



Rosie D. Harper
Certified Public Accountant

June 27, 2006

SUPPLEMENTAL INFORMATION

MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED

Schedule 1

Schedule of Functional Expenses
For the Year Ended
December 31, 2005

	General and Administrative	Program	Total
Personnel Costs			
Salaries and Wages	\$ 6,000	\$ 9,000	\$ 15,000
Payroll Taxes and Other Fringe Benefits	459	689	1,148
Total Personnel Costs	6,459	9,689	16,148
Other Expenses			
Contract Services	-	11,598	11,598
Marketing	3,270	-	3,270
Mini Grant Award	-	63,500	63,500
Mini Grant Monitor	-	3,230	3,230
Other Expenses	-	3,572	3,572
Supplies	891	4,150	5,041
Other Operating Services	5,208	-	5,208
Total General & Administration Expenses	9,369	86,050	95,419
Total Functional Expenses	\$ 15,828	\$ 95,739	\$ 111,567

See Accountants Compilation Reports.

MINORITY BUSINESS COUNCIL OF
NORTHEAST LOUISIANA, INCORPORATED

Schedule 2

Schedule of Activities -Budget to Actual
For the Year Ended
December 31, 2005

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Federal Grant	\$108,985	\$ 108,985	\$ -
Total Revenue	<u>108,985</u>	<u>108,985</u>	<u>-</u>
General and Administrative			
Personnel Costs			
Salaries and Wages	6,000	6,000	-
Total Personnel Costs	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Other Expenses			
Marketing	3,270	3,270	-
Supplies	891	891	-
Other Operating Services	4,802	4,802	-
Total Other Expenses	<u>8,963</u>	<u>8,963</u>	<u>-</u>
Total General and Administrative Expense	<u>14,963</u>	<u>14,963</u>	<u>-</u>
Program			
Personnel Costs			
Salaries and Wages	9,000	9,000	-
Total Personnel Costs	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Other Expenses			
Contract Services	10,833	10,833	-
Mini Grant Award	63,500	63,500	-
Mini Grant Monitor	3,000	3,000	-
Other Expenses	3,539	3,539	-
Supplies	4,150	4,150	-
Total Other Expenses	<u>85,022</u>	<u>85,022</u>	<u>-</u>
Total Program Expenses	<u>94,022</u>	<u>94,022</u>	<u>-</u>
Total Functional Expenses	<u>108,985</u>	<u>108,985</u>	<u>-</u>
Budget Excess (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accountants Compilation Reports.

LOUISIANA ATTESTATION QUESTIONNAIRE

June 27, 2006

Rosie D. Harper, CPA, LLP
141 DeSiard Street, Suite 325
Monroe, Louisiana 71202

In connection with your compilation of our financial statements as of December 31, 2005 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement,

Louisiana Attestation Questionnaire (Continued)

matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance, which may occur up to the date of your report.

Secretary _____ Date
Stephanie Anne _____
Stephanie Anne Treasurer June 30, 2006 Date
[Signature] _____
President June 30, 2006 Date