

**North Louisiana Economic Development Corporation
Monroe, Louisiana**

Financial Statements

As of and for the Year Ended December 31, 2010

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 7/20/11

North Louisiana Economic Development Corporation
Monroe, Louisiana

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Independent Auditors' Report

To the Board of Directors
North Louisiana Economic Development Corporation
Monroe, Louisiana

We have audited the accompanying statement of financial position of the North Louisiana Economic Development Corporation as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the North Louisiana Economic Development 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. 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 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.

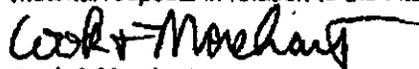
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Louisiana Economic Development Corporation as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2011, on our consideration of the North Louisiana 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 audit.

As discussed in Note 9, the North Louisiana Economic Development Corporation merged with another entity, effective January 1, 2011.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the North Louisiana Economic Development Corporation taken as a whole. The accompanying supplemental schedule shown on page 10 is presented for the purpose of additional analysis and is not a required part of the financial

statements of the North Louisiana Economic Development Corporation. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
July 14, 2011

North Louisiana Economic Development Corporation
 Monroe, Louisiana
 Statement of Financial Position
 December 31, 2010

Assets

Current assets:

Cash and cash equivalents	\$	216,298
Accounts receivable		1,417
Unconditional promises to give		511,196
Prepaid expenses		3,310
Total current assets		<u>732,221</u>

Noncurrent assets:

Property and equipment, net		5,030
Total noncurrent assets		<u>5,030</u>

Total Assets	\$	<u>737,251</u>
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$	126,239
Total current liabilities		<u>126,239</u>

Net assets

Unrestricted:		
Operating		94,786
Fixed assets		5,030
Temporarily restricted		511,196
Total net assets		<u>611,012</u>

Total Liabilities and Net Assets	\$	<u>737,251</u>
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The accompanying notes are an integral part of the financial statements.

North Louisiana Economic Development Corporation
 Monroe, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Totals
Revenues, gains, support and reclassifications:			
Grants and contracts	\$ 44,368	\$	\$ 44,368
Contributions and donations	22,078	41,997	64,075
Interest and dividends	454		454
Net assets released from restrictions			
Satisfaction of program restrictions	791,420	(791,420)	
Total revenues, gains, support and reclassifications	858,320	(749,423)	108,897
Functional Expenses:			
Supporting services			
General and administrative	100,700		100,700
Programs services			
Personnel costs	435,586		435,586
Marketing and communication	301,212		301,212
Professional development	9,596		9,596
Total operating expenses	847,094		847,094
Change in net assets	11,226	(749,423)	(738,197)
Net assets, beginning of year	88,590	1,260,619	1,349,209
Net assets, end of year	\$ 99,816	\$ 511,196	\$ 611,012

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

North Louisiana Economic Development Corporation
 Monroe, Louisiana
 Statement of Cash Flows
 For the Year Ended December 31, 2010

Operating Activities

Changes in net assets	\$ (738,197)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,759
(Increase) decrease in operating assets:	
Accounts receivable	7,283
Unconditional promises to give	749,423
Prepaid expenses	2,619
Increase (decrease) in operating liabilities:	
Accounts payable	45,059
Net cash provided by operating activities	68,146
 Net increase in cash and cash equivalents	 68,146
 Cash and cash equivalents as of beginning of year	 148,152
 Cash and cash equivalents as of end of year	 \$ 216,298
 Supplemental disclosures of cash flow information:	
Non-cash losses on promises to give	\$ 203,857

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

North Louisiana Economic Development Corporation
Monroe, Louisiana
Notes to Financial Statements
December 31, 2010

(1) Summary of Significant Accounting Policies

A. Nature of Activities

North Louisiana 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 reflect the purpose of the non-profit organization.

On January 5, 2009, the Corporation again changed its name from Ouachita Economic Development Corporation to North Louisiana Economic Development Corporation to more clearly 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".

In August, 2009, the Corporation entered into a Memorandum of Understanding with the Northwest Louisiana Economic Development Foundation (the Foundation) to explore the desirability of merging the two organizations into one economic development organization which would serve the 14 parishes in north Louisiana. The Foundation promotes economic development in the parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine and Webster. The two organizations were merged, effective January 1, 2011.

The Foundation is party to an Expense Reimbursement Agreement with the Greater Shreveport Chamber of Commerce whereby the Chamber provides certain services to the Foundation. The Corporation in August, 2009 also joined as a party in the Expense Reimbursement Agreement with the Chamber. In August and September of 2009, the Corporation paid half of the salary and benefits of the President of the Partnership. In September, the Corporation began paying half of most of the expenses of the Foundation including salaries of the employees. Beginning November 1, 2009, the employee of the Corporation became an employee of the Chamber and all taxes and benefits were paid by the Chamber and this salary has been included in the Expense Reimbursement since that date.

B. Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

North Louisiana Economic Development Corporation
Monroe, Louisiana
Notes to Financial Statements
December 31, 2010
(Continued)

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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*.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise to give is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for maintenance and repairs are charged to expense. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

H. Restricted and Unrestricted Revenue and Support

Support that is *restricted* by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

I. Income Tax Status

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income. The Corporation had no such income during this audit period. The Forms 990, "Return of Organization Exempt from Income Taxes" for the North Louisiana Economic Development Corporation for the years ending 2006, 2007, 2008, and 2009 are subject to examination by the IRS, generally for three years after they were filed.

(Continued)

North Louisiana Economic Development Corporation
 Monroe, Louisiana
 Notes to Financial Statements
 December 31, 2010
 (Continued)

J. Advertising Costs

The Corporation uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2010, advertising costs totaled \$22,853.

(2) Concentrations of Credit Risk

Approximately 19% of the revenues recognized in 2010 were from local governments. The unconditional promises to give at December 31, 2010 were 33% from local governments and 67% from private funding. The Corporation does not require any collateral in support of the promises to give.

The Corporation maintains cash balances at a financial institution located in the Monroe area. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2010, total cash balances held at financial institutions was \$216,300, which was entirely secured by FDIC.

(3) Promises to Give

Contributions are recognized when the donor makes a promise to give the Corporation that is, in substance, unconditional. Contributions that are allocable for the current year are reported as increases in unrestricted net assets. Contributions pledged for future years are reported as increases in temporarily restricted net assets. Collection of cash or write-off for uncollectibility releases temporarily restricted funds from restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

During 2010, management reassessed the collectibility of the promises to give and determined that a number of them were uncollectible. The amounts considered uncollectible total \$203,857, and are reflected in the Statement of Activities.

Unconditional promises to give at December 31, 2010 consist of \$511,196 of promises due within one year. The promises to give are shown net of an allowance for uncollectible promises to give of \$203,857 at December 31, 2010.

(4) Property and Equipment

Property and equipment at December 31, 2010, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5-10 years	\$ 36,060
Accumulated Depreciation		(31,030)
		\$ 5,030

Depreciation expense for the year ended December 31, 2010, was \$1,759.

(5) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for subsequent year's activities as contributions pledged for future years.

(Continued)

North Louisiana Economic Development Corporation
Monroe, Louisiana
Notes to Financial Statements
December 31, 2010
(Continued)

(6) Operating Lease

The Corporation leases its office space. In August 2009, a 24-month lease was signed with an effective date of September 1, 2009, and a monthly rental payment of \$2,331. The first and last month's lease are required as a security deposit. Total rent expense for 2010 was \$27,972.

The future minimum lease payments under the operating leases are as follows:

2011	\$ <u>18,648</u>
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(7) Related Parties

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

(8) Subsequent events

Subsequent events have been evaluated through July 14, 2011, the date the financial statements were available to be issued.

(9) Merger Agreement

A joint merger agreement was entered into by and between Northwest Louisiana Economic Development Foundation (Surviving Corporation) and North Louisiana Economic Development Corporation (Assimilated Corporation), with an effective date of January 1, 2011.

Effective January 1, 2011, the Assimilated Corporation and the Surviving Corporation were merged. The separate existence of the Assimilated Corporation shall cease. The Surviving Corporation will survive the merger. The appropriate documents, article, by-laws, name change, etc. have been filed by the Surviving Corporation which will change the name of the Surviving Corporation to North Louisiana Economic Partnership, Inc.

North Louisiana Economic Development Corporation
 Monroe, Louisiana
 Schedule of Functional Expenses
 For the Year Ended December 31, 2010

	Support Services		Program Services			Totals
	General and Administrative	Personnel	Marketing and Communication	Professional Development	Total	
Wages and salaries		\$ 309,414			\$ 309,414	\$ 309,414
Payroll taxes		20,995			20,995	20,995
Pension expense		22,417			22,417	22,417
Other employee benefits		21,760			21,760	21,760
Personnel reimbursement		61,000			61,000	61,000
Contract labor	2,772					2,772
Advertising			22,853		22,853	22,853
Entertainment			2,123		2,123	2,123
Business development			16,462		16,462	16,462
Workforce marketing			10,080		10,080	10,080
Building Rent	27,972					27,972
Office supplies	2,351					2,351
Professional development				4,345	4,345	4,345
Tuition and fees				725	725	725
Insurance - office	3,378					3,378
Photocopy and printing	1,503					1,503
Travel			17,197	4,526	21,723	21,723
Equipment maintenance and leases	4,073					4,073
Shared expenses - equipment	10,767					10,767
Luncheons and receptions			4,069		4,069	4,069
Annual meeting			4,846		4,846	4,846
Business meals			3,755		3,755	3,755
Mileage reimbursement			9,156		9,156	9,156
Periodicals	4,184					4,184
Dues and subscriptions	7,392					7,392
Newsletter			110		110	110
Telephone	9,266					9,266
Awards and gifts			78		78	78
Miscellaneous	3,164					3,164
Bank charges	1,553					1,553
Postage	1,117					1,117
Legal and professional fees	19,449					19,449
Website development			2,541		2,541	2,541
Business relations			4,085		4,085	4,085
Reserve for bad debts			203,857		203,857	203,857
Depreciation	1,759					1,759
Total expenses	\$ 100,700	\$ 435,588	\$ 301,212	\$ 9,598	\$ 746,394	\$ 847,094

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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

To the Board of Directors
North Louisiana Economic Development Corporation
Monroe, Louisiana

We have audited the financial statements of North Louisiana Economic Development Corporation as of and for the year ended December 31, 2010, and have issued our report thereon dated July 14, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered North Louisiana 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 North Louisiana Economic Development Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the North Louisiana Economic Development Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 North Louisiana 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 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 management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
July 14, 2011

North Louisiana Economic Development Corporation
Monroe, Louisiana
Summary Schedule of Audit Findings
December 31, 2010

Summary Schedule of Prior Audit Findings

There were no findings, questioned costs, or management letter comments for the prior year audit for the year ended December 31, 2009.

Corrective Action Plan for Current Year Audit Findings

There are no findings, questioned costs, or management letter comments for the current year audit for the year ended December 31, 2010.