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# OUACHITA ECONOMIC DEVELOPMENT CORPORATION

**Financial Statements  
Year Ended December 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 100 1 8 1998

OUACHITA ECONOMIC DEVELOPMENT CORPORATION

DECEMBER 31, 1997

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Luffey  
Huffman  
& Monroe

AN ASSOCIATED 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 statement of financial position of **Ouachita Economic Development Corporation** (the Corporation) as of December 31, 1997 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and *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 significant estimates made by management, as well as evaluating the overall financial statements 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 Corporation at December 31, 1997 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 9, 1998 on our consideration of the Corporation's internal control structure and a report dated February 9, 1998 on its compliance with laws and regulations.

February 9, 1998

**OSACHTA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 1997**

**ASSETS**

<b>Current Assets</b>	
Cash	\$ 103,521
Unconditional Promises to Give:	
Unrestricted	83,581
Funding for Next Fiscal Year	98,000
Prepaid Expenses	<u>2,253</u>
Total Current Assets	288,355
<b>Furniture and Equipment</b>	
Furniture and Equipment	91,000
Less: Accumulated Depreciation	<u>(22,274)</u>
Net Furniture and Equipment	68,726
<b>Other Assets</b>	
Security Deposit	<u>475</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>357,557</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts Payable	\$ 388
Payroll Taxes Payable	<u>3,953</u>
Total Current Liabilities	4,342
<b>Net Assets</b>	
Unrestricted	193,345
Temporarily Restricted	<u>98,080</u>
Total Net Assets	291,425
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>357,557</u></b>

The accompanying notes are an integral part of this statement.

**QUACHTA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

**Unrestricted Net Assets**

**Support**

City of Monroe	\$ 133,958
City of West Monroe	49,989
Business Sector	75,900
Rivermen	13,260
Partnerships	26,500
Grants	31,430
Other Income	789
Interest Income	862
<b>Total Unrestricted Support</b>	<u>352,788</u>

**Net Assets Released From Restrictions**

Couchita Parish Police Jury Funding	68,800
<b>Total Unrestricted Support and Reclassifications</b>	<u>421,588</u>

**Expenses**

**Personnel Costs**

Wages and Salaries	112,745
Temporary Office Help	1,125
Payroll Taxes and Benefits	19,615
<b>Total Personnel Costs</b>	<u>133,485</u>

**Operating Expenses**

New Business Development	41,243
Existing Business Development	51,449
Computer Services	6,677
<b>Total Operating Expenses</b>	<u>99,369</u>

**Administrative Expenses**

Office Expenses	58,673
Auto Lease	5,922
Equipment Maintenance and Rental	45
Travel and Meetings	17,734
Other Expenses	34,548
<b>Total Administrative Expenses</b>	<u>116,914</u>

<b>Total Expenses</b>	<b>341,768</b>
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(Continued)

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES (CONCLUDED)**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

<b>Increase in Unrestricted Net Assets</b>	108,540
<b>Temporarily Restricted Net Assets</b>	
Ouachita Parish Police Jury Funding for 1998	98,000
Net Assets Released From Time Restrictions	
Ouachita Parish Police Jury Funding	<u>(29,000)</u>
<b>Increase in Temporarily Restricted Net Assets</b>	-
<b>Increase in Net Assets</b>	108,540
<b>Net Assets at Beginning of Year</b>	<u>183,000</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 291,540</u>

The accompanying notes are an integral part of this statement.

**QUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 1987**

<b>Cash Flows From Operating Activities</b>	
Increase in Net Assets	\$ 108,340
Adjustments to Reconcile Increase in Net Assets To Net Cash Used by Operating Activities	
Depreciation	3,430
Changes in assets and liabilities:	
Unconditional Promises to Give	(24,099)
Prepays and Other	(2,120)
Accounts Payable	(1,463)
Payroll Taxes Payable	(3,881)
Funds Due to Others	<u>(25,909)</u>
Total Adjustments	<u>(33,702)</u>
Net Cash Provided by Operating Activities	34,638
 <b>Cash Flows From Investing Activities</b>	
Purchase of Furniture and Equipment	<u>(4,751)</u>
 <b>Net Increase in Cash</b>	 80,084
 <b>Cash at Beginning of Year</b>	 <u>51,417</u>
 <b>CASH AT END OF YEAR</b>	 <b>\$ <u>101,521</u></b>

The accompanying notes are an integral part of this statement.

**QUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1997**

**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, 1989 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 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 are generally eight years.

***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 these estimates.

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1997**

**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 Measurements**

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.

**Note 2 - Unconditional Promises to Give**

Unconditional promises to give consist of the following at December 31, 1997:

	<u>Current</u>	<u>Subsequent</u>
City of Monroe	\$ 51,338	\$ 0
City of West Monroe	27,882	0
Ouachita Parish Police Jury	<u>4,161</u>	<u>58,800</u>
	<u>\$ 83,381</u>	<u>\$ 58,800</u>

**Note 3 - Operating Leases**

The Corporation has a three year operating lease with an effective date of February 1, 1997 for its office space. The monthly payment is \$850. Future minimum lease payments under this lease are as follows: 1998 - \$18,200; 1999 - \$10,200; 2000 - \$850.

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1997**

The Corporation also has a three year operating lease for an automobile. The lease began in June of 1997 and will end in May of 2000. The monthly payment is \$493. Future minimum lease payments under this lease are as follows: 1998 - \$5,864; 1999 - \$5,484; 2000 - \$2,282.

**Note 4 - Concentration of Funding Sources/Unconditional Promise to Give**

Approximately 67% of the revenues recognized in 1997 were from the three local governments, being the City of Monroe, the City of West Monroe and the Ouachita Parish Police Jury. All of the unconditional promises to give at December 31, 1997 were from the above three funding sources.

**SUPPLEMENTARY INFORMATION SCHEDULES**

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
 SCHEDULE OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1997**

<b>New Business Development</b>	
Advertising	\$ 1,178
Travel	65
Publicists	<u>40,000</u>
Total New Business Development	41,243
<b>Existing Business Development</b>	
Score	1,981
Community Development	1,098
Industry Appreciation	16,989
Workforce Development Program	31,007
Travel	<u>1,334</u>
Total Existing Business Development	51,409
<b>Computer Services</b>	
Subscriptions	84
On-line Time Charges	<u>6,593</u>
Total Computer Services	<u>6,677</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ <u>99,369</u></b>

**OUACHITA ECONOMIC DEVELOPMENT CORPORATION  
 SCHEDULE OF ADMINISTRATIVE EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1997**

<b>Office Expenses</b>	
Rent	\$ 10,200
Telephone	8,704
Postage	4,412
Supplies	12,708
Dues and Subscriptions	2,983
Insurance - Office	489
Legal and Professional Fees	11,058
Bank Charges	168
Total Office Expenses	<u>50,673</u>
<b>Auto Lease</b>	<b>3,822</b>
<b>Equipment Maintenance and Rental</b>	<b>45</b>
<b>Travel and Meetings</b>	
Travel	4,259
Schools and Conventions	3,748
Automobile Allowance	68
Insurance - Auto	2,034
Meetings	7,623
Total Travel and Meetings	<u>17,734</u>
<b>Other Expenses</b>	
Printing	8,351
Supplies	3,725
Promotion	8,363
Depreciation	2,430
Miscellaneous	857
Moving Expense	9,854
Total Other Expenses	<u>34,580</u>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ <u>108,914</u></b>



Luffey  
Hutton  
& Monroe

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE 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) as of and for the year ended December 31, 1997 and have issued our report thereon dated February 9, 1998.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance 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.

The management of the Corporation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Corporation for the year ended December 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they had been placed in operation, and we assessed control risk 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 structure. Accordingly, we do not express such an opinion.

**Ouachita Economic Development Corporation  
Monroe, Louisiana**

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not 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 structure and its operation that we consider to be material weaknesses as defined above.

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.



February 9, 1998



Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. LUFFEY, MPA, CPA  
FRANK J. HUFFMAN, CPA  
L. MONROE, CPA  
BENJAMIN ALDRIDGE, CPA  
COURTNEY CHASE, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE 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) as of and for the year ended December 31, 1997 and have issued our report thereon dated February 9, 1998.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance 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.

Compliance with laws, regulations, contracts and grants applicable to the Corporation is the responsibility of the Corporation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Corporation complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Corporation had not complied, in all material respects, with these provisions.

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.

  
February 9, 1998

**QUACHITA ECONOMIC DEVELOPMENT CORPORATION**  
**STATUS OF PRIOR YEAR FINDINGS**  
**DECEMBER 31, 1997**

The following is a summary of the status of material prior year findings included in the independent auditors' reports on internal control and compliance dated March 24, 1997 covering Luffey, Huffman & Monson's examination of the financial statements of the Corporation as of and for the year ended December 31, 1996:

<u>Finding</u>	<u>Status</u>
Payroll Taxes	Closed
Cash Receipts	Closed
Funds Due to Others	Closed