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SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Financial Report

(With Accountant's Compilation Report Thereon)

December 31, 1999

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 09-06-00

**SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA**

Financial Report

(With Accountant's Compilation Report Thereon)
December 31, 1999

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA
Financial Report

Year Ended December 31, 1999

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Bergeron & Lanaux

— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

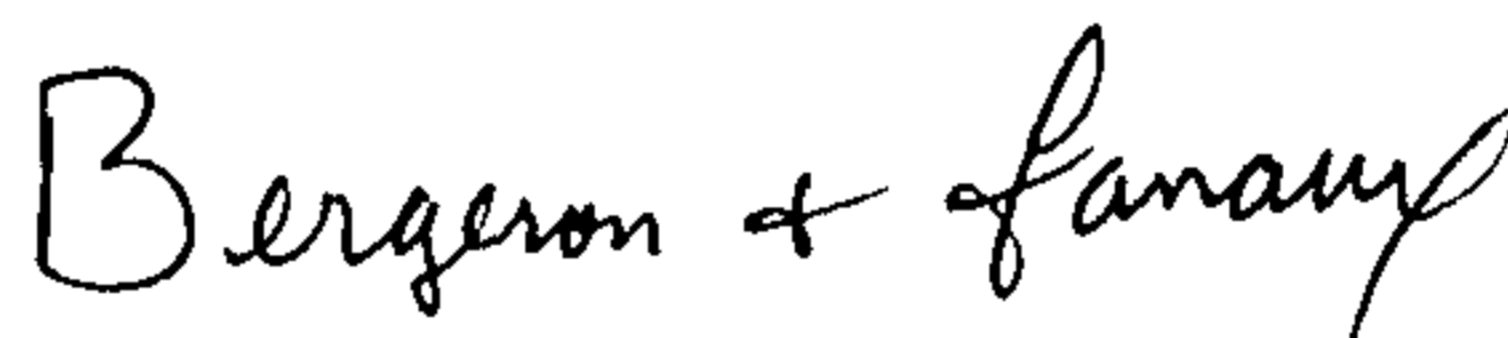
CLAUDE E. BERGERON, CPA
THOMAS J. LANAUX, CPA
MICHAEL D. BERGERON, CPA
MARK S. FELGER, CPA

To the Board of Directors
South Louisiana Economic Council, Inc.
Thibodaux, Louisiana

We have compiled the accompanying statement of financial position of the South Louisiana Economic Council (a not-for-profit corporation) as of December 31, 1999 and the related statements of unrestricted support, revenues, expenses and other changes in unrestricted net assets and cash flows for the year then ended, and the accompanying supplementary information contained in Schedule 1, which is presented only for supplementary analysis purposes, 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 and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedule and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 2, 2000, on the results of our agreed upon procedures.



June 2, 2000

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA
 Statement of Financial Position
 December 31, 1999
 (See Accountant's Compilation Report)

ASSETS

CURRENT ASSETS

Cash	\$	165,265	
Prepaid auto lease		8,724	
Prepaid printing		3,750	
Accounts receivable - miscellaneous		69	
Total current assets			\$ 177,808

PROPERTY AND EQUIPMENT

Office furniture and equipment		90,454	
Less accumulated depreciation		(68,362)	
Net property and equipment			22,092

OTHER ASSETS

Deposits		606	
Prepaid auto lease		8,724	
Total other assets			9,330

Total assets			\$ 209,230
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts and payroll taxes payable	\$	1,752	
Accounts payable - miscellaneous		593	
Total current liabilities			\$ 2,345

UNRESTRICTED NET ASSETS

Total liabilities and net assets			\$ 209,230
----------------------------------	--	--	------------

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA
Statement of Unrestricted Support, Revenues,
Expenses and Other Changes in Unrestricted Net Assets
Year Ended December 31, 1999
(See Accountant's Compilation Report)

UNRESTRICTED SUPPORT AND REVENUES:

Governmental grants	\$	248,300	
Private donations		99,660	
Seminar and conference sponsorship revenues		5,802	
Use of contributed facility		9,100	
Monitoring fees		12,210	
Interest income		2,142	
		377,214	
Total unrestricted support and revenues	\$		377,214

OPERATING EXPENSES:

Economic development expenses		241,013	
General and administrative expenses		88,199	
		329,212	
		48,002	
Increase in unrestricted net assets			48,002

UNRESTRICTED NET ASSETS:

Beginning of year		158,883	
		206,885	
End of year	\$		206,885

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA
 Statement of Cash Flows
 Year Ended December 31, 1999
 (See Accountant's Compilation Report)

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets		\$ 48,002
Adjustments to reconcile to net cash flows from operating activities:		
Depreciation	12,800	
Increase in prepaid auto lease	(8,600)	
Increase in miscellaneous receivable	(69)	
Decrease in grants receivable	27,405	
Decrease in accounts and payroll taxes payable	<u>(30,086)</u>	
Total adjustments		<u>1,450</u>
Cash flows from operating activities		49,452

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(9,841)</u>	
Cash flows from investing activities		<u>(9,841)</u>
Net increase in cash		39,611
Cash at beginning of year		<u>125,654</u>
Cash at end of year		<u><u>\$ 165,265</u></u>

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Notes to Financial Statements, Continued

(See Accountant's Compilation Report)

Note 1) NATURE OF ACTIVITIES

The South Louisiana Economic Council, Inc. (the Council), a non-profit corporation, was organized on March 16, 1984, to encourage economic development in the four parish area of Assumption, Lafourche, St. Mary, and Terrebonne. The objective of the Council is to spur economic growth by encouraging existing local industry to expand and to entice industry from out-of-state to locate in the region. The Council also acts as coordinator for various economic and workforce development activities and programs in the four parish area. The Council is supported primarily through unrestricted grants from the local governments within the four parish area it serves and by unrestricted support received from local private industry. Governmental grants comprised approximately 66% of total unrestricted revenue and support for the year ended December 31, 1999.

The Council reports gifts of cash and other assets as restricted support if they are received with donor imposed stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the 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 restriction. Contributions, grants and awards received to support current year activities are reported as unrestricted support.

Note 2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies:

- a) Basis of Accounting. The Council uses the accrual basis of accounting for revenues and expenses.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Notes to Financial Statements, Continued

(See Accountant's Compilation Report)

- b) Property and Equipment. Property and equipment are recorded at historical cost and are depreciated using the straight-line method over their estimated useful lives as follows:

Office equipment	3 - 7 years
Leasehold improvements	10 years
Automobile	5 years

Expenditures for renewals and betterments are capitalized and expenditures for ordinary maintenance and repairs are expensed as incurred. The cost and accumulated depreciation applicable to *assets retired or sold, if any, are removed from the respective accounts and gains or losses thereon are included in operations.*

Depreciation expense was \$12,800 for the year ended December 31, 1999, all of which was charged to operations.

- c) Accumulated Vacation and Sick Leave. Vacation and sick leave do not carryover to future years. Vacation and sick leave earned and available are insignificant to the financial statements.
- d) Income Taxes. The Council is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provisions for income taxes have been made in the financial statements.
- e) Cash Flows. For purposes of the statement of cash flows, short-term investments having original maturities of three months or less when purchased are considered to be cash equivalents. The Council did not have any cash equivalents at December 31, 1999.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Notes to Financial Statements, Continued

(See Accountant's Compilation Report)

- f) 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.

- g) Accounting for Contributions Received. The Council follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor or grantor restrictions. During 1999, the Council did not receive any restricted contributions.

- h) Financial Statement Presentation. The Council follows the guidance of SFAS No. 117, "Financial Statements on Not-for-Profit Organizations." Under SFAS No. 117, the Council is required to report information regarding its activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 1999, the Council had no temporarily restricted net assets or permanently restricted net assets.

Note 3) FUNDING

The Council receives funding primarily through grants from local governments and corporations and from corporate and governmental sponsorships for economic development and training seminars hosted by the Council.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Notes to Financial Statements, Continued

(See Accountant's Compilation Report)

Grants were received from the following governmental sources during the year:

Governmental grants:

St. Mary Parish	\$	25,000
Lafourche Parish		10,000
State of Louisiana, School-to-Work Program		34,300
<i>Greater Lafourche Port Commission</i>		5,000
State of Louisiana, Department of Labor		150,000
State of Louisiana, Department of Economic Development		24,000
Total governmental grants	\$	<u>248,300</u>

Note 4) ALLOCATION OF EXPENSES

The cost of providing various activities has been summarized on a functional basis in the statement of support, revenues, expenses and changes in fund balance. Accordingly, certain costs have been allocated among the programs and activities benefited.

Note 5) MONITORING FEES

The Council, acting as a monitoring entity, is participating in the Louisiana Workforce Development and Training Program sponsored by the Louisiana Department of Economic Development. Under the Louisiana Administrative Code, Title 19, Part VII, Subpart 7, Section 8109, the Council is allowed to charge fees in exchange for monitoring the progress of training and processing of invoices. The fee is composed of actual time spent, labor by Council employees and an overhead rate of twenty-five percent of labor for general and administrative expenses. Monitoring fees collected during the year ended December 31, 1999 were \$12,210.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Notes to Financial Statements, Continued

(See Accountant's Compilation Report)

Note 6) CONTRIBUTED FACILITY

The Council received an in-kind contribution, estimated by management to amount to approximately \$9,100 annually, for office space rentals during the year from Nicholls State University at no cost to the Council. The estimated fair value of this facility is reported as unrestricted support and expense in the period in which the facility was used.

Note 7) SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

The Council paid no interest expense or income taxes for the year ended December 31, 1999.

Note 8) LEASED VEHICLE

The Council leased a vehicle under a non-cancelable two year operating lease on December 23, 1999. The Council paid 100% of the cost of the lease in advance. The portion of lease cost related to the current year is charged to operations and the portion of the lease cost applicable to future periods is included on the balance sheet.

Note 9) PREPAID PRINTING

During the year ended December 31, 1996, the Council purchased prepaid specialized printing services from the South Central Planning Commission. As services are rendered to the Council the prepaid amount is credited. The original amount of the contract was \$5,000 and the balance at December 31, 1999 is \$3,750. None of the prepaid printing services were used during the year ended December 31, 1999.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
THIBODAUX, LOUISIANA

Notes to Financial Statements, Continued

(See Accountant's Compilation Report)

Note 10) ECONOMIC DEPENDENCE

The Council receives a substantial portion of its funding from a limited number of sources. Should one or more of these sources withdraw funding, the Council would not be able to sustain operations as presently structured.

Note 11) RELATED PARTY

The Council entered into an agreement to provide administrative, secretarial, support, and payroll services, to the LA 1 Emergency Coalition, a not for profit entity whose mission is to improve the condition of Louisiana Highway 1 in lower Lafourche Parish to Port Fourchon, which is an issue management believes is related to the economic success and viability of the region. The Council is reimbursed for salaries and related payroll taxes after each pay period. The Council also received \$5,000 as compensation for unreimbursed time and expenses during the year ended December 31, 1999.

The leased vehicle referred to in Note 8 is leased from an entity controlled by a *volunteer member of the Council's board*. The terms of the lease are similar to those terms available at arms length.

SUPPLEMENTARY INFORMATION

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
 THIBODAUX, LOUISIANA
 Schedule of Expenses

Year Ended December 31, 1999

(See Accountant's Compilation Report)

	<u>Economic Development</u>	<u>General and Administrative</u>	<u>Total</u>
Automobile expenses	\$ 9,269	\$ 115	\$ 9,384
Bank charges	-	79	79
Business machine maintenance	-	3,005	3,005
Depreciation	9,736	3,064	12,800
Donations	-	300	300
Dues and subscriptions	4,689	1,162	5,851
Insurance	3,575	22,794	26,369
Meeting expense	6,579	-	6,579
Miscellaneous	-	2,399	2,399
Office expense	-	8,936	8,936
Personnel services	126,108	33,113	159,221
Postage	-	1,140	1,140
Printing	1,601	816	2,417
Professional fees	36,486	-	36,486
Rent expense for contributed facility	4,914	4,186	9,100
Seminar/conference sponsorship	2,989	-	2,989
Telecast production and advertising	7,406	3,050	10,456
Telephone	2,873	2,628	5,501
Training programs	3,103	-	3,103
Travel	21,685	1,412	23,097
	<u>21,685</u>	<u>1,412</u>	<u>23,097</u>
Total expenses	<u>\$ 241,013</u>	<u>\$ 88,199</u>	<u>\$ 329,212</u>

SUPPLEMENTARY REPORT

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Directors
of South Louisiana Economic Council, Inc.

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of South Louisiana Economic Council and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the South Louisiana Economic Council's compliance with certain laws and regulations during the year ended December 31, 1999 included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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.

There were no federal grants received during 1999.

State Grants	Year	CFDA No.	Amount
School-To-Work	1999	N/A	\$ 34,300
Louisiana Department of Labor	1999	N/A	150,000
Regional Initiatives Program	1999	N/A	24,000

Local Grants	Year	CFDA No.	Amount
Lafourche Parish	1999	N/A	10,000
St. Mary Parish	1999	N/A	25,000
Greater Lafourche Port Commission	1999	N/A	5,000

Total \$ 248,300

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

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

We 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, we 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 general ledger account. The Council does not use fund accounting.

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the executive director. In addition, each of the disbursements were traced to the South Louisiana Economic Council's minute book where they were approved by the full board.

6. For the items selected in procedure 2, for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements reviewed complied with allowability requirements of the program.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. All disbursements reviewed complied with the eligibility requirements of the program.

Reporting

We reviewed the previously listed disbursements for reporting requirements.

7. No close-out reports were required during 1999.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

South Louisiana Economic Council is only required to post a notice of each meeting and the accompanying agenda on the door of the South Louisiana Economic Council's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies 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.

Under the terms of the awards noted in item 1 above, South Louisiana Economic Council was not required to provide comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously.

Prior Comments and Recommendations

10. No prior-year suggestions, recommendations, or comments were made.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management and the Board of Directors of the South Louisiana Economic Council and the Legislative Auditor, State of Louisiana, 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. However, this report is a matter of public record and its distribution is not limited.

Bergeron & Lanoux

June 2, 2000

JUN 27

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)**

June 27, 2000
(Date Transmitted)

Bergeson & Lanoux

(Auditors)

In connection with your completion of our financial statements as of December 31, 1999 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.

These representations are based on the information available to us as of (date of completion/representation).

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, 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 NA

Prior Year Comments

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

Yes No NA

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.

<u>Ken R. Rucker</u>	Secretary	<u>6/15/00</u>	Date
<u>Bryce Rucker</u>	Treasurer	<u>6/15/00</u>	Date
<u>J. J. Guadalupe</u>	President	<u>6/17/00</u>	Date