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ACADIA ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL REPORT
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 JUL 26 2000

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BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

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To the Board of Directors
Acadia Economic Development Corporation
Rayne, Louisiana

We have compiled the accompanying statement of financial position of Acadia Economic Development Corporation (a nonprofit organization), as of December 31, 1999, 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 the management of Acadia Economic Development Corporation. We have not audited or reviewed the accompanying financial statements 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 30, 2000, on the results of our agreed-upon procedures.

BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

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Donald W. Kelley, CPA*
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Lawrence A. Crumet, CPA* 1999
Michael P. Crochet, CPA* 1999

Crowley, Louisiana
June 30, 2000

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

* A Professional Accounting Corporation.

ACADIA ECONOMIC DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

December 31, 1999

With Comparative Totals for December 31, 1998

See Accountant's Compilation Report

ASSETS	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 99,771	\$ 49,723
Accounts receivable	<u>7,077</u>	<u>4,285</u>
Total current assets	\$106,848	\$ 54,008
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$2,706	<u>4,864</u>	<u>4,491</u>
Total assets	<u>\$111,712</u>	<u>\$ 58,499</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,633	\$ 713
Accrued expenses	4,813	2,443
Due to grantor	<u>166</u>	<u>-</u>
Total liabilities	\$ 6,612	\$ 3,156
NET ASSETS		
Unrestricted, undesignated	<u>105,100</u>	<u>55,343</u>
Total liabilities and net assets	<u>\$111,712</u>	<u>\$ 58,499</u>

See Notes to Financial Statements.

ACADIA ECONOMIC DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES

Year Ended December 31, 1999

With Comparative Totals for the year ended December 31, 1998

See Accountant's Compilation Report

	<u>1999</u>	<u>1998</u>
Revenues:		
Contract support	\$168,200	\$ 78,540
Memberships	19,083	5,185
Interest income	3,354	1,927
Grants	13,400	-
Sponsorships	1,900	-
Other income	<u>909</u>	<u>250</u>
Total revenues	<u>\$206,846</u>	<u>\$ 85,902</u>
Expenses:		
Program services:		
Economic development	\$125,673	\$ 69,284
Support services:		
Management and general	<u>31,416</u>	<u>17,321</u>
Total expenses	<u>\$157,089</u>	<u>\$ 86,605</u>
Change in net unrestricted assets	\$ 49,757	\$ (703)
Unrestricted assets, beginning of year	<u>55,343</u>	<u>56,046</u>
Unrestricted assets, end of year	<u>\$105,100</u>	<u>\$ 55,343</u>

See Notes to Financial Statements.

ACADIA ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

Year Ended December 31, 1999

With Comparative Totals for the Year Ended December 31, 1998

See Accountant's Compilation report

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 49,757	\$ (703)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	1,449	1,257
Increase in accounts receivable	(2,792)	(4,285)
Increase in accounts payable	920	670
Increase in accrued expenses	2,370	1,501
Increase in due to grantor	<u>166</u>	<u>-</u>
Net cash provided (used) by operating activities	\$ 51,870	\$ (1,560)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(1,822)</u>	<u>(5,748)</u>
Net increase (decrease) in cash and cash equivalents	\$ 50,048	\$ (7,308)
Cash and cash equivalents, beginning of year	<u>49,723</u>	<u>57,031</u>
Cash and cash equivalents, end of year	<u>\$ 99,771</u>	<u>\$ 49,723</u>

See Notes to Financial Statements.

ACADIA ECONOMIC DEVELOPMENT CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 1999

With Comparative Totals for the Year Ended December 31, 1998

See Accountant's Compilation Report

	<u>Program Services</u> Economic Development	<u>Support Services</u> Management and General	<u>Total Expenses</u>	
			<u>1999</u>	<u>1998</u>
Salaries and benefits	\$ 82,322	\$ 20,580	\$102,902	\$ 63,233
Advertising and marketing	10,406	2,601	13,007	6,204
Professional fees	2,458	614	3,072	4,500
Telephone	4,898	1,225	6,123	3,711
Office supplies	3,317	829	4,146	3,506
Travel and entertainment	3,250	812	4,062	2,978
Depreciation	1,159	290	1,449	1,257
Dues and subscriptions	482	121	603	651
Postage and printing	2,483	621	3,104	310
Staff training	2,672	668	3,340	120
Repairs and maintenance	122	30	152	115
Insurance	5,234	1,308	6,542	-
Rent	3,840	960	4,800	-
Uncollectible pledges	2,698	674	3,372	-
Other costs	<u>332</u>	<u>83</u>	<u>415</u>	<u>20</u>
Total expenses	<u>\$125,673</u>	<u>\$ 31,416</u>	<u>\$157,089</u>	<u>\$ 86,605</u>

See Notes to Financial Statements.

ACADIA ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

Nature of organization:

Acadia Economic Development Corporation, a nonprofit corporation ("Organization"), was formed on March 5, 1997, pursuant to the laws of the State of Louisiana. The Organization is engaged in economic development activities within the Acadia Parish area to maintain, enhance, improve, and enlarge the employment base of the citizens and residents thereof.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. SFAS No. 117 requires net assets and revenues, gains, expenses, and losses to be classified based on the existence or absence of donor-imposed restrictions. 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. A description of the three net asset categories is as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

No temporarily or permanently restricted assets were held during 1999 and accordingly, these financials do not reflect any activity relating to these classes of net assets for 1999.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation report

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and cash equivalents:

For purposes of the statement of financial position and the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and equipment:

Property and equipment are recorded at cost as of the date of acquisition or fair value at date of receipt for donated items. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed over the estimated useful lives of the respective assets, using straight-line depreciation method, which range from three to ten years.

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the period of disposal.

Renewals and improvements which extend the useful lives of assets are capitalized at cost. Maintenance and repairs are included as expenses in the statement of activities.

Contributions:

The Organization has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recognized as revenue in the period received and classified as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

The Organization has not received any contributions with donor imposed restrictions that would result in temporarily or permanently restricted net assets.

The Organization receives substantially all of its revenue from cooperative agreements (contracts) with local municipalities.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation report

Income taxes:

The Organization is exempt from income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code ("the Code") and comparable state law. As such, only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. Since the Organization had no net unrelated business income during the year ended December 31, 1999, no provision for income taxes has been made. Contributions to the Organization qualify for the charitable contributions deduction to the extent provided by Section 170 of the Code.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses:

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

Note 2. Cash and Cash Equivalents

At December 31, 1999, the Organization has bank balances totaling \$99,401 which are maintained at two local financial institutions and book balances totaling \$99,771. At December 31, 1999, the bank balances are fully insured by FDIC coverage.

Note 3. Accounts Receivable

At December 31, 1999, the accounts receivable balance is comprised entirely of charter membership dues.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Compilation report

Note 4. Property and Equipment

A summary of property and equipment at December 31, 1999, is as follows:

Office furniture and equipment	\$ 7,570
Less: Accumulated depreciation	<u>2,706</u>
Net	<u>\$ 4,864</u>

Note 5. Net Assets

Net assets at December 31, 1999, consists of unrestricted net assets exclusively.

Note 6. Related Party Transactions

The Organization has a contract with an employee, Van Landry, for consulting and management services provided through Acadiana Management. Acadiana Management is an economic development consulting and management service company, owned 100% by Van Landry, Executive Director of Acadia Economic Development Corporation. The Organization paid \$1,025 and \$9,878 to Acadiana Management during 1999 and 1998, respectively, for economic development consulting and management services and related expense reimbursements.

Note 7. Cajun Heartland School-to-Work Grant

During 1999, the Organization received a grant from Cajun Heartland School-to-Work in the amount of \$13,400. The purpose of the grant was to implement a career mentoring program in Acadia Parish. In the course of running the career mentoring program, the Organization expended \$16,809 in 1999. Of this amount approximately 80% was paid to the Career Mentor Contract Coordinator. Other expenses, such as postage, telephone/fax machine, printing, and supplies, made up the remainder of the money spent. At December 31, 1999 the Organization owed back to Cajun Heartland School-to-Work \$166 resulting from an over requesting funds.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors
Acadia Economic Development Corporation
Raine, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Acadia Economic Development Corporation and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Acadia Economic Development Corporation's compliance with certain laws and regulations during the year ended December 31, 1999, included in the accompanying *Louisiana Attestation Questionnaire*. The 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.

Acadia Economic Development Corporation received only one state grant from Cajun Heartland School-to-Work for the fiscal year 1999. The amount of the grant was \$13,400.

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To the Board of Directors
Acadia Economic Development Corporation

2. We randomly selected six disbursements from the state award administered during the period under examination.
3. For 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 payments were properly coded to the correct fund and general ledger account.

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 proper authorities.

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

Activities allowed or unallowed:

All disbursements tested were deemed to be for allowable activities as set forth in the grant agreement.

Eligibility:

Not applicable.

Reporting:

We reviewed the disbursements for reporting requirements. All of the disbursements were traced to Reimbursement Request.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The state grant tested above was closed out during the period of our review. The client was unable to provide us with a close-out report as required by the funding agency.

To the Board of Directors
Acadia Economic Development Corporation

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).

Acadia Economic Development Corporation is only required to post a notice of each meeting and the accompanying agenda on the door of Acadia Economic Development Corporation's office building. Additionally, Acadia Economic Development Corporation sends a fax broadcast to all members notifying them of each meeting. We examined evidence supporting both of the above.

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.

Acadia Economic Development Corporation provided a comprehensive budget to the applicable state grantor agency for the program mentioned previously. This budget specified the anticipated uses of the funds, estimates of the duration of the project, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Our prior year report, dated June 25, 1999, did not include any comments or unresolved matters.

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 of Acadia Economic Development Corporation 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.

Broussard, Poche', Lewis & Breaux, L.L.P.

Crowley, Louisiana
June 30, 2000

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

6/13/2000 (Date Transmitted)

Broussard, Poche', Lewis & Breaux, L.L.P.

Certified Public Accountants

P.O. Drawer 307

Crowley, Louisiana 70527-0307

(Auditors)

In connection with your compilation of our financial statements as of 12/31/99 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/respresentation).

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 []

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

Treasurer _____ Date

John F. Carter
President 6/14/00 Date

ACADIA ECONOMIC DEVELOPMENT CORPORATION

MANAGEMENT'S CORRECTIVE ACTION PLAN

Section I. Internal Control and Compliance Material to the Financial Statements

Close-out Report

Finding: Management was unable to provide the auditor's with a close-out report for the Cajun Heartland School-to-Work grant which was completed during the year.

Response: Management has indicated that a close-out report was not required by the funding agency and therefore one was not prepared.

Section II. Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 1999.

Section III. Management Letter

There was no management letter for the year ended December 31, 1999.

Responsible party: Vincent Landry, Executive Director