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**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**

FINANCIAL REPORT  
DECEMBER 31, 2003

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 4-14-04

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**

FINANCIAL REPORT  
DECEMBER 31, 2003

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**McGEHEE AND KEEN, LLC  
CERTIFIED PUBLIC ACCOUNTANTS**

P.O. Box 1344  
806 North Trenton  
Ruston, Louisiana 71273-1344

**ACCOUNTANTS' COMPILATION REPORT**

To the Board of Directors of  
Trailblazer Resource Conservation and Development Area, Inc.  
302 Reynolds Drive  
Ruston, Louisiana 71270

We have compiled the accompanying statement of financial position of Trailblazer Resource Conservation and Development Area, Inc. (a nonprofit organization) as of December 31, 2003, and the related statements of activities 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. 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.



McGehee and Keen, LLC  
Certified Public Accountants

March 23, 2004

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2003

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 112,820
Accounts Receivable	2,856
Due from Grantors	13,943
Prepaid Expenses	<u>2,009</u>

**TOTAL CURRENT ASSETS** 131,628

Property and Equipment - Net of Accumulated Depreciation 140,710

**TOTAL ASSETS** \$ 272,338

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable	\$ 3,800
Accrued Liabilities	928
Accrued Payroll	1,226
Current Portion of Long-Term Debt	<u>8,049</u>

**TOTAL CURRENT LIABILITIES** 14,003

**LONG-TERM DEBT** 1,387

**TOTAL LIABILITIES** 15,390

**NET ASSETS**

Unrestricted 256,948

**TOTAL NET ASSETS** 256,948

**TOTAL LIABILITIES AND NET ASSETS** \$ 272,338

See accountant's report.  
See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

**CHANGES IN NET ASSETS:**

Revenues	
Federal Grant Revenue	\$ 110,994
State Grant Revenue	35,918
Gain on Sale of Asset	168
Interest Income	963
Rent Income	7,150
Sale of Backyard Composters, Grant Handbooks, Newspapers and Cans for Recycling, and Trees	22,746
Sponsor Dues from Local Governments	11,500
Support for Programs	
Local Governments	4,750
Other	22
Total Unrestricted Revenues	<u>194,211</u>

**EXPENSES**

Program Services	
Backyard Composting	51
Litter Education	9,076
Nature Tourism	1,919
North Central Louisiana Recycling	37,121
Other	183
Tree Initiative	6,766
Wildfire Education	11,886
Supporting Services	
Administrative Services	
Accounting	3,200
Building Repairs and Maintenance	1,817
Depreciation	14,940
Equipment Repairs and Maintenance	1,414
Insurance	5,552
Interest	1,647
Meetings	4,353
Office Supplies	1,970
Other	495
Salaries and Wages	18,569
Taxes and Licenses	1,608
Telephone and Utilities	4,276
Travel	4,016
Total Expenses	<u>130,859</u>

<b>TOTAL INCREASE IN NET ASSETS</b>	63,352
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>193,596</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 256,948</u>

See accountant's report.  
See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Sponsors and Others	\$ 166,130
Cash Received from Sales and Service Fees	23,775
Interest Income Received	963
Cash Payments for Goods and Services	(66,626)
Cash Payments to Employees	(47,799)
Interest Payments	<u>(1,647)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>74,796</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Equipment	(11,180)
Purchase of Investments	0
Proceeds from Sale of Truck	<u>700</u>
<b>Net Cash Used by Investing Activities</b>	<u>(10,480)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal Payments on Notes Payable	<u>(43,342)</u>
<b>Net Cash Used by Financing Activities</b>	<u>(43,342)</u>
<b>Net Increase In Cash</b>	20,974
<b>Cash at Beginning of Year</b>	<u>91,846</u>
<b>Cash at End of Year</b>	<u>\$ 112,820</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Change in Net Assets	\$ 63,352
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	14,940
Gain on Sale of Asset	(168)
(Increase) Decrease in Accounts Receivable	(789)
(Increase) Decrease in Due from Grantors	(2,385)
(Increase) Decrease in Prepaid Expenses	(2,009)
Increase (Decrease) in Accounts Payable	1,969
Increase (Decrease) in Accrued Liabilities	(151)
Increase (Decrease) in Accrued Payroll	<u>37</u>
<b>Total Adjustments</b>	<u>11,444</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 74,796</u>

See accountant's report.  
See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

The Trailblazer Resource Conservation and Development Area, Inc. (Trailblazer) is a Louisiana nonprofit corporation, organized in October, 1966 and chartered in July, 1988. Trailblazer covers an eight parish (i.e., Bienville, Bossier, Claiborne, Jackson, Lincoln, Union, Webster, and Winn) area in north central Louisiana. This corporation is organized to operate for the purpose of educating the people living in the area to accelerate the development, conservation, and wise use of human, financial, and natural resources in order to improve the standard of living and the quality of life in the area. Trailblazer is exempt from federal income tax as an organization described in Section 501 (c) (3) of the Internal Revenue Code. The corporation received their tax exempt status in December, 1988.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF REVENUE RECOGNITION**

Trailblazer recognizes sponsor dues, interest income, rent income, service fees, sales, and other income on the accrual basis. Support for programs is recognized in the period received. Grant awards are recognized on an accrual basis, unless the grant is determined to be a conditional promise to give. These grants are classified as refundable advances until the conditions of the grant have been substantially met. Support and contributions are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consists of cash on hand, cash held in checking accounts, and cash held in the Louisiana Asset Management Pool.

**PROPERTY AND EQUIPMENT**

Land, buildings, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is as follows:

Buildings	
Permanent	40 years
Portable	15 years
Equipment	3 to 5 years

**ADVERTISING COSTS**

There were no advertising costs for the year ended December 31, 2003.

**VACATION AND SICK LEAVE**

There were no accumulated and vested vacation and sick leave benefits at year end.

**NON-INTEREST BEARING NOTE PAYABLE**

Interest is imputed on non-interest bearing notes payable. The difference between the present value and the face amount of the note is treated as a note discount. The discount recognized is amortized as interest expense over the life of the note using the interest method.

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH**

Cash consists of cash on hand and demand deposits. Deposits are carried at cost which approximates market value. At December 31, 2003, the carrying amount of deposits was \$112,814 and the bank balance was \$112,966; \$48,519 of the bank balance was covered by federal depository insurance and the balance of \$64,447 was invested in the Louisiana Asset Management Pool (LAMP), which is not insured by the federal depository insurance company. Cash on hand at December 31, 2003, was \$6.

**NOTE 3 - PROPERTY AND EQUIPMENT**

At December 31, 2003, the costs and related accumulated depreciation of fixed assets consisted of the following:

Land	\$ 15,000
Buildings	106,625
Equipment	<u>82,075</u>
Total Property and Equipment	203,700
Less: Accumulated Depreciation	<u>(62,990)</u>
Net Property and Equipment	<u>\$ 140,710</u>

**NOTE 4 - LONG-TERM DEBT**

Trailblazer's obligation at December 31, 2003, under long-term debt consisted of the following:

Note payable due in monthly installments of \$698 through January, 2005, at a stated interest rate of 0%, to Ford Credit, collateralized by a 2002 Ford Truck. The face amount of the note is \$25,146 which was discounted \$2,100 to the present value of the note using an effective interest rate of 5.75%.	\$ 9,436
Less: Current Maturities included in current liabilities	<u>(8,049)</u>
Long-Term Debt, Net of Current Maturities	<u>\$ 1,387</u>



**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**NOTE 4 - LONG-TERM DEBT (CONTINUED)**

Maturities of long-term debt at the current interest rates are as follows:

2004	\$8,049
2005	\$1,387

**NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of support and revenues, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 6 - FEDERAL AND STATE GRANTS**

Trailblazer's federal, state and local grant award revenue for the year included the following grants:

<u>Grant Name</u>	<u>Grant Year</u>	<u>CFDA#</u>	<u>Amount</u>
<b>Federal Grants:</b>			
Economic Recovery Nature Tourism II	10/1/02 to 9/30/04	10.670	\$ 4,794
Solid Waste Management North Central Louisiana Recycle Program	9/3/02 to 8/31/03	10.762	66,664
Solid Waste Management North Central Louisiana Recycle Program	9/1/03 to 8/31/04	10.762	33,336
Resource Conservation and Development Clerical Assistance	6/23/03 to 3/31/04	10.901	<u>6,200</u>
<b>Total Federal Grant Revenue</b>			<u><u>110,994</u></u>
<b>State Grants:</b>			
LA Department of Environmental Quality Litter Education	8/26/02 to 6/30/03	N/A	18,043
LA Department of Agriculture and Forestry Wildfire Education	9/15/02 to 12/31/03	N/A	16,475
LA Department of Agriculture and Forestry Wildfire Education - Phase II	10/15/03 to 9/30/04	N/A	<u>1,400</u>
<b>Total State Grant Revenue</b>			<u><u>35,918</u></u>
<b>Total Grant Revenue</b>			<u><u>\$ 146,912</u></u>

**TRAILBLAZER RESOURCE CONSERVATION  
AND DEVELOPMENT AREA, INC.  
AFFIDAVIT AND REVENUE CERTIFICATION**

**ANNUAL SWORN FINANCIAL STATEMENTS AND  
CERTIFICATION OF REVENUES \$50,000 OR LESS  
IN STATE AND LOCAL ASSISTANCE**

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less is required by Louisiana Revised Statute 24:513(l)(1)(c)(i).

**AFFIDAVIT**

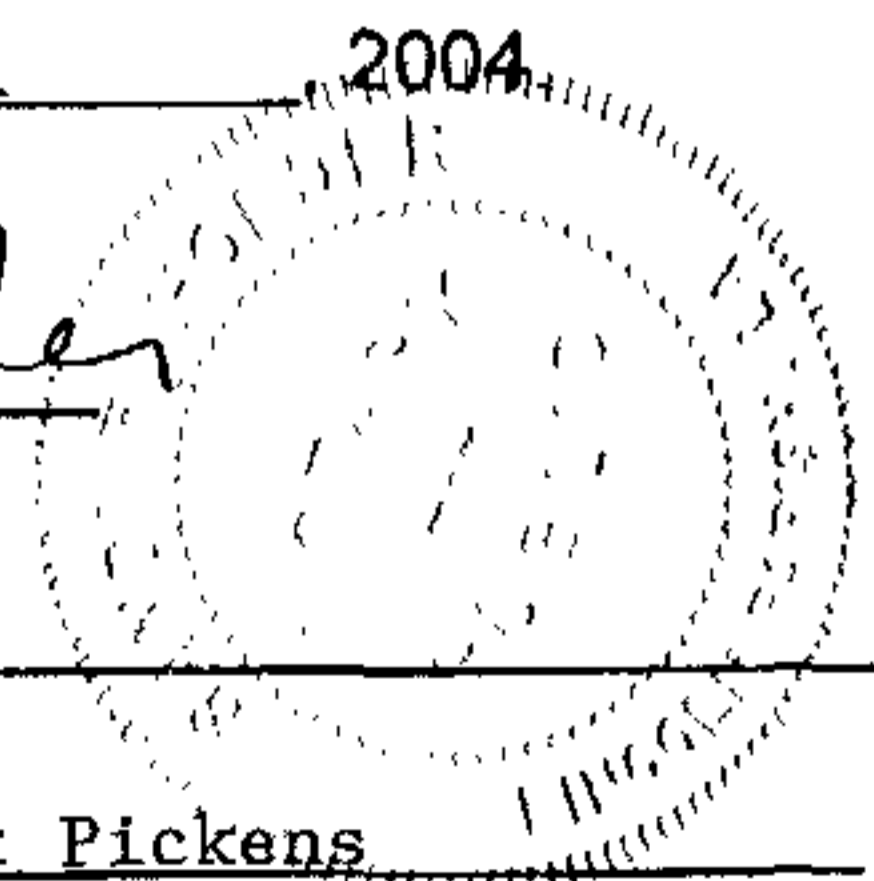
Personally came and appeared before the undersigned authority, Gilbert Pickens, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Trailblazer Resource Conservation and Development Area, Inc., as of December 31, 2003, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Gilbert Pickens, who, duly sworn, deposes and says that Trailblazer Resource Conservation and Development Area, Inc. received \$50,000 or less in state and local assistance for the fiscal year ending December 31, 2003, and accordingly, is not required to have an audit for the previously mentioned year.

Signature

Sworn to and subscribed before me this 31<sup>st</sup> day of March, 2004.

Gordon R. Holder  
NOTARY PUBLIC



Officer Gilbert Pickens  
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Ruston, LA 71270  
Telephone No. (318) 255-3554  
Fax No. (318) 251-9199