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AME-DE-TEE INVESTMENT & DEVELOPMENT CORPORATION  
FINANCIAL STATEMENTS AND AUDITOR'S REPORTS  
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: 5-13-98

AKK-LA-TRE INVESTMENT & DEVELOPMENT CORPORATION  
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GEORGE E. MCGOVERN III  
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ARTHUR S. HANSEN III, P.A.  
10004 N. Natchez, St. C.P.A.

November 20, 1987

Independent Auditor's Report

To the Board of Directors of  
Ark-La-Tex Investment & Development Corporation  
Shreveport, LA

I have audited the accompanying statement of financial position of Ark-La-Tex Investment & Development Corporation (a nonprofit organization) as of September 30, 1987, and the related statements of activities & functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Organizations". These standards require that I 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 statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ark-La-Tex Investment & Development Corporation as of September 30, 1987, 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, I have also issued a report dated November 20, 1987 on my consideration of the Company's compliance with laws and regulations.

Sincerely,

  
George E. McGovern III  
Certified Public Accountant

**ARP-IA-TIE INVESTMENT & DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 1997**

**ASSETS**

**Current Assets**

Cash (Note 2)	\$ 778,493	
Certificates of Deposit (Note 2)	287,763	
Accounts Receivable (Note 3)	8,448	
Interest Receivable	<u>3,418</u>	
Total Current Assets		<u>1,078,122</u>

**Buildings/Improvements/Lease (Note 4)**

Buildings/Improvements	474,264	
Lease	<u>27,358</u>	
Total Buildings/Improvements/Lease		501,622
Less: Accumulated Depreciation		<u>(1,78,348)</u>
		<u>323,274</u>

**Other Assets**

Deposits (Utilities)		<u>1,008</u>
Total Assets		<u>\$1,402,404</u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Current Portion - Notes Payable (Note 5)	\$ 7,247	
Other Current Liabilities (Note 5)	<u>388</u>	
Total Current Liabilities		7,635

**LONG TERM Notes Payable Net of Current Portion (Note 5)**

		<u>38,362</u>
--	--	---------------

Total Liabilities		45,997
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**Net Assets**

		<u>1,356,407</u>
Total Liabilities and Net Assets		<u>\$1,402,407</u>

The accompanying notes are an integral part of these statements.

**ASH-LA-TRE INVESTMENTS & DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES & FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDING SEPTEMBER 30, 1977**

**REVENUES**

Rent (Note 6)	\$ 78,873
Loan Servicing and Processing (Note 8 & 9)	87,844
Contributions from The Counseling & Development Corporation	92,393
Interest	<u>81,821</u>
<b>Total Revenues</b>	<b><u>340,931</u></b>

**Expenditures**

Repairs	6,377
Salaries and Payroll Tax	88,947
Interest (Note 1)	3,183
Travel	12,888
Office	9,043
Advertising	8,378
Depreciation (Note 2)	<u>28,228</u>
<b>Total Expenditures</b>	<b><u>187,344</u></b>

Revenues in Excess of Expenditures \$ 153,587

Net Assets at Beginning of Year 1,407,808

Net Assets at End of Year \$ 1,561,395

The accompanying notes are an integral part of these statements.

LAK-LA-TEX INVESTMENT & DEVELOPMENT CORPORATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDING SEPTEMBER 30, 1997

Cash Flows from Operating Activities:	
Increase in Net Assets	\$ 89,138
Depreciation	24,828
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
(Increase) Decrease in Accounts Receivable	1 342)
Increase in Other Current Liabilities	<u>182</u>
Net Cash from Operating Activities	<u>113,108</u>
Cash Flows from (Used by) Investing Activities:	
Purchase and Improvements of Land and Building	1 8,207)
Purchase of Certificates of Deposit	<u>(1,261,223)</u>
Net Cash from (Used by) Investing Activities	<u>(1,253,016)</u>
Cash Flows from (Used by) Financing Activities:	
Payment on Principal	<u>(1 4,897)</u>
Net Cash from (Used by) Financing Activities	<u>(1 4,897)</u>
Increase (Decrease) in Cash	( 197,853)
Cash at Beginning of Year	<u>1,854,514</u>
Cash at End of Year	<u>\$ 1,656,661</u>

Note: The company considers all maturities less than three months to be cash equivalents and no income taxes were paid. Interest of \$3,128 was paid in FYE 8/97 and none of this was capitalized.

The accompanying notes are an integral part of these statements.

AKC-LS-THE INVESTMENT & DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1997

**NOTE A - ACCOUNTING POLICIES**

The accompanying financial statements have been prepared on a modified accrual basis, whereby all revenues are recognized when susceptible to accrual and expenditures are recorded when the related fund liability is incurred. AKC-LS-The Investment & Development Corporation (AKIC) uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain grants/programs/divisions. A fund is a separate accounting entity with a self-balancing set of accounts. Governmental funds are used to account for all of AKIC's activities.

AKIC is a private, not-for-profit, IRS Section 501(c)(3) Corporation. The Corporation operates primarily in the two parishes of Southeast Louisiana. It is governed by an elected Board of Directors and provides business, industrial and economic development to both the private sector and state governments.

**Depreciation** - Depreciation is provided on the straight line method over the useful life of the asset. The assets and land are recorded at cost.

	<u>Life</u>
Automobile	5 years
Equipment	5-10 years
Building & Improvements	33-45 years

The Company capitalized all assets with a cost greater than \$500 and a life in excess of one year.

**Cash** - The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

**Specialized Interest** - The Company did not recognize any interest during this period.

**Advertising** - The Company expenses non-direct response advertising as incurred.

**Budgets** - Budgets are not required.

**Financial Statement Classification** - In 1996, the organization was required to prepare its financial statements in accordance with SFAS No. 117 "Financial Statements of Non-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. The reclassification has no effect on the change in net assets for prior years. All of the company's assets are unrestricted.

ARM-CA-TEX INVESTMENT & DEVELOPMENT CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1987

**NOTE B - LOANS**

The Company is paid a monthly contractually agreed amount for servicing 501/804 loans. The fee is 1/2 of 28 per annum of the outstanding loan balances.

**NOTE C - FEES**

The Company is compensated for loan processing and closing.

**NOTE D - CASH**

<u>Denomination</u>	<u>8/31/87</u>	<u>Interest Rate</u>	<u>9/30/87</u>	<u>Interest Rate</u>
Bank One	\$ 218,593	5.10-4.50	\$ 209,578	0
First State Bank	0	0	1,368	3.00
Bank One (Texas Dept.)	80,570	4.25	80,434	4.80
Elberta	218,402	5.45	200,575	5.10-5.25
First St. Bank	132,488	4.75	117,082	4.80
Bank of Coahuila	70,800	4.50	69,529	4.10-4.50
Exchange Bank	50,000	5.00	49,878	3.90-4.20
Central Bank	84,061	4.50	84,566	4.75
Commercial National	100,120	4.20	98,888	4.20
Wingsfield Bank-Community	93,227	4.25	91,093	4.25
Longport	55,480	4.75	51,132	4.20
Central Bank-Chestering	28,380	0	18,203	4.50
Colonial Bank	68,000	5.15	0	0
	<u>\$1,166,228</u>		<u>\$1,054,318</u>	

The monies at each financial institution are only insured for \$100,000 by the FDIC.

Cash & Certificates of Deposits	\$ 776,480
Certificates of Deposits	<u>287,753</u>
	<u>\$1,064,233</u>

**NOTE E - MANAGEMENT**

The Company uses some of The Coordinating and Development Corporation's local employees to perform its duties and reimburses CMC for their work.

**NOTE F - ACCOUNTS RECEIVABLE**

Accounts receivable consist of a receivable from the BMA, for services performed in monitoring BMA loans.



**ARK LA-TEX INVESTMENT & DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1991**

**NOTE 2 - RECEIVABLES/CLASSIFIED ASSETS**

	Balance 9/30/90	Additions	Balance 9/30/91	Additions	Balance 9/30/91
Land-Cable Car	\$ 19,900	\$ 0	\$ 19,900	0	\$ 19,900
Automobile	0	52,133	52,133	0	52,133
Build & Improvements -					
Cable Car	279,138	13,200	292,338	8,307	300,645
Land-Station - Car -					
Room J	8,000	0	8,000	0	8,000
Building-Station -					
Room J	82,000	1,100	83,100	0	83,100
Furniture-Station	7,200	0	7,200	0	7,200
Furniture-Cable	0	18,900	18,900	0	18,900
Accumulated Depn.	(18,435)	(18,435)	(36,870)	(18,435)	(55,305)
<b>Net</b>	<b><u>360,473</u></b>	<b><u>46,000</u></b>	<b><u>406,473</u></b>	<b><u>112,872</u></b>	<b><u>519,345</u></b>

The Company was paid \$78,473 for rent during the year and has 30 day leases with O&O.

**NOTE 3 - AFFILIATIONS**

The Company is affiliated with The Coordinating and Development Corporation (CDC) in that it shares certain direct expenses as follows:

- (1) Salaries (see Note 5)
- (2) During the year, CDC advanced \$72,280.
- (3) As of 9/30, AIDC owed CDC \$178 which is included in other current liabilities.
- (4) The Company is also affiliated with two other nonprofit organizations and one for-profit organization.

**NOTE 4 - NOTES PAYABLE**

The Company entered into an agreement on 10/27/90 to purchase a building and land in Metairie/Esch Parish from the Metairie/Esch Parish Public Jury financed by the building/land, with the purchase price being \$24,000, interest rate 4 1/2% per annum, with monthly payments of \$415, maturing 9/3/94. Debt payments are as follows:

9/90	\$ 7,287
9/91	7,810
9/92	8,333
9/93	8,856
9/94	9,379
9/95	9,902
9/96	10,425
	<u>62,072</u>

**ARR-CA-TEX INVESTMENT & DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1987**

**NOTE 2 - LEASES**

The Company entered into a two year lease, dated 10/15/85, payable at \$390/month for the first twelve months and \$584/month for the last twelve months, for a facility located in Houston, Louisiana. The lease expired and is now a 30 day lease @ \$584/month.

Other operating leases:

<u>Lease</u>	<u>Description</u>	<u>Monthly</u> <u>Expense</u>	<u>#</u> <u>of</u> <u>Months</u>	<u>Req.</u> <u>Coll.</u>	<u>Exp.</u> <u>Expn.</u>
Toyota Motor Credit	Vehicle	\$ 428.80	36	75%	(1)55
GMAC	Vehicle	\$ 428.80	36	0/100	22,000
		<u>Minimum</u> <u>Monthly</u>			<u>Monthly</u> <u>Payments</u>
	8/88	\$ 8,136			\$ 22,020
	8/88	<u>1,136</u>			<u>8,351</u>
		<u>\$ 9,272</u>			<u>\$ 30,371</u>

**NOTE 3 - 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.

**NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of financial instruments approximates the carrying (book) value because of the short maturity of these assets.

**NOTE 5 - CONTINGENCIES**

The Company is dependent upon the OMA's 561/504 program continuation.

GEORGE E. MCCOY, JR.  
CERTIFIED PUBLIC ACCOUNTANT  
MEMBER OF AMERICAN INSTITUTE OF  
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George E. McCoy, III, C.P.A.  
George E. McCoy, Jr., C.P.A.

November 28, 1987

Independent Auditor's Report

Report on the Internal Control Structure Based on  
An Audit of Basic Financial Statements Performed  
In Accordance With Government Auditing Standards

Roh-La-Tee Investment & Development Corporation  
Shreveport, LA

I have audited the financial statements of Roh-La-Tee Investment & Development Corporation (a nonprofit organization), as of and for the year ended September 30, 1987, and have issued my report thereon dated November 20, 1987.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Roh-La-Tee Investment & Development 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 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.

November 30, 1987

Page 3

In planning and performing my audit of the financial statements of Ash-La-Tee Investment & Development Corporation as of and for the year ended September 30, 1987, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedure for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My 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 reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the management. This registration is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,



George E. Howard CPA  
Certified Public Accountant

**GEORGE E. MCGOVERN III**  
**CERTIFIED PUBLIC ACCOUNTANT**  
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Shreveport, LA 71187-7188  
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1861 Grimslett Drive  
Shreveport, LA 71187

~~James L. McGovern III, C.P.A.~~  
George A. Burton, P. C.P.A.

November 20, 1987

Independent Auditor's Report on Compliance with Laws and Requirements

Compliance Report Based on an Audit of Basic Financial Statements  
Performed in Accordance with Government Auditing Standards

Ark-La-Tex Investment & Development Corporation  
Shreveport, LA

I have audited the financial statements of Ark-La-Tex Investment & Development Corporation in nonprofit corporations, as of and for the year ended September 30, 1987, and have issued my report thereon dated November 24, 1987.

I conducted my 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 I 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 Ark-La-Tex Investment & Development Corporation, is the responsibility of Ark-La-Tex Investment & Development Corporation. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Ark-La-Tex Investment & Development Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under government auditing standards.

This report is intended for the information of the management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

  
George E. McGovern III  
Certified Public Accountant