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CLAIBORNE ECONOMIC DEVELOPMENT BOARD

FINANCIAL REPORT

DECEMBER 31, 1998

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 MAR 24 1999

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
For the year ended December 31, 1998

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# CLAIBORNE ECONOMIC DEVELOPMENT BOARD

P.O. BOX 270

HOMER, LOUISIANA 71040

318-927-6166

## ANNUAL FINANCIAL STATEMENTS

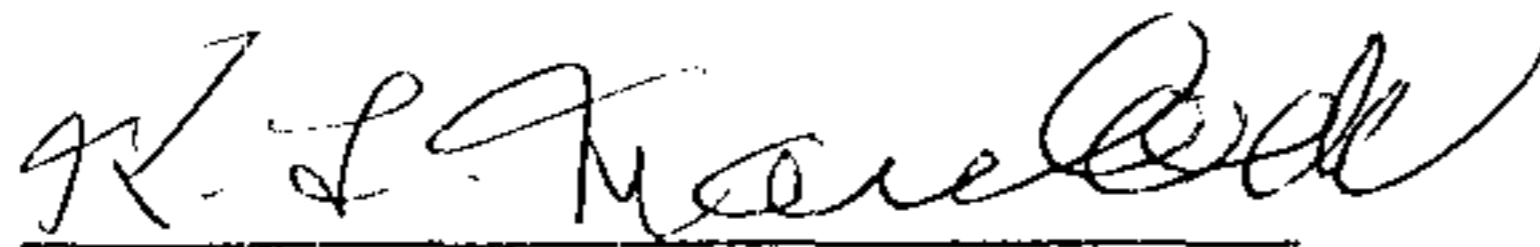
March 5, 1999

Office of Legislative Auditor  
Attention: Ms. JoAnne Sanders  
1600 North Third  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Ms. Sanders,

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Claiborne Economic Development Board as of and for the year ended December 31, 1998. The report includes all funds under the control and oversight of the board. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Officer

Enclosure

CLAIBORNE ECONOMIC DEVELOPMENT BOARD  
Homer, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS AND  
CERTIFICATION OF REVENUES \$50,000 OR LESS

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, if applicable, is required by Louisiana Revised Statute 24:513(1)(1)(c)(i).

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AFFIDAVIT

Personally came and appeared before the undersigned authority, K.L. Morelock, who, duly sworn, deposed and says that the financial statements herewith given present fairly the financial position of the Claiborne Economic Development Board as of December 31, 1998, 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, K.L. Morelock, who, duly sworn, deposes and says that the Claiborne Economic Development Board received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1998, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.

K.L. Morelock

Signature

Sworn to and subscribed before me, this 16<sup>th</sup> day of March, 1999.

Samantha H. Ellinger

NOTARY PUBLIC

---

Officer K.L. Morelock

Address PO Box 270

Homer LA 71040

Telephone No. (318) 624-0823

# JAMIESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P. O. BOX 897

MINDEN, LOUISIANA 71058-0897

(318) 377-3171

FAX (318) 377-3177

E-MAIL JWM@CWIDE.NET

MICHAEL W. WISE, C.P.A.  
CARLOS E. MARTIN, C.P.A.  
DAVID W. TINSLEY, C.P.A.

KRISTINE J. HARPER, C.P.A.  
M. KENT CRAFT, C.P.A.

WM. PEARCE JAMIESON, C.P.A. (1991)

MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

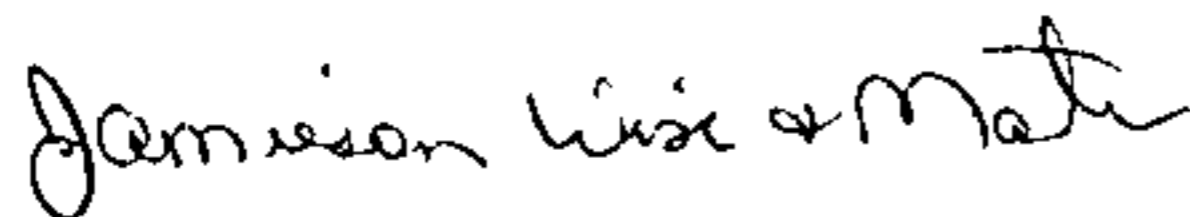
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## Accountants' Compilation Report

Board of Directors  
Claiborne Economic Development Board

We have compiled the accompanying general purpose financial statements of the Claiborne Economic Development Board, as of and for the year ended December 31, 1998, 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 of the Claiborne Economic Development Board. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



March 5, 1999  
Minden, LA

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 1998**

	Governmental Fund Type	Account Groups		Total (Memorandum Only)
	General Fund	General Fixed Assets	General Long-Term Debt	
<b>ASSETS</b>				
Cash in bank	\$ 14,878	-	-	14,878
Certificates of deposit	36,000	-	-	36,000
Notes receivable	18,289	-	-	18,289
Land and video	-	58,977	-	58,977
Amount to be provided from general fund	-	-	29,874	29,874
<b>Total assets</b>	<b>\$ 69,167</b>	<b>58,977</b>	<b>29,874</b>	<b>158,018</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Notes payable	\$ -	-	29,874	29,874
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>29,874</b>	<b>29,874</b>
<b>Fund equity:</b>				
Investment in general fixed assets	-	58,977	-	58,977
Fund balance-				
Unreserved - undesignated	69,167	-	-	69,167
<b>Total fund equity</b>	<b>69,167</b>	<b>58,977</b>	<b>-</b>	<b>128,144</b>
<b>Total liabilities and fund equity</b>	<b>\$ 69,167</b>	<b>58,977</b>	<b>29,874</b>	<b>158,018</b>

The accompanying notes are an integral part of these statements.

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Governmental Fund Type - General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended December 31, 1998**  
**With Comparative Totals for December 31, 1997**

	General	Totals	
	Fund	(Memorandum Only)	
		1998	1997
<b>Revenues:</b>			
Interest revenue	\$ 3,687	3,687	4,870
Intergovernmental - donations	8,000	8,000	9,450
Miscellaneous revenue	40	40	-
Total revenue	<u>11,727</u>	<u>11,727</u>	<u>14,320</u>
<b>Expenditures:</b>			
<b>General government:</b>			
Salaries and payroll tax expense	398	398	708
Office expense	65	65	147
Transportation expense	-	-	33
Promotional costs	9,000	9,000	6,600
Telephone expense	-	-	339
Professional fees	170	170	-
Miscellaneous	-	-	8
<b>Debt service:</b>			
Principal payments	15,029	15,029	11,623
Interest expense	1,471	1,471	5,177
Total expenditures	<u>26,133</u>	<u>26,133</u>	<u>24,635</u>
(Deficiency) of revenues over expenditures	(14,406)	(14,406)	(10,315)
Fund balance at beginning of year	<u>83,573</u>	<u>83,573</u>	<u>93,888</u>
Fund balance at end of year	<u>\$ 69,167</u>	<u>69,167</u>	<u>83,573</u>

The accompanying notes are an integral part of these statements.

## CLAIBORNE ECONOMIC DEVELOPMENT BOARD

### Notes to Financial Statements

As of and for the year ended December 31, 1998

#### 1. Summary of significant accounting policies

The Claiborne Economic Development Board is a corporation organized on September 13, 1971, under the Louisiana Revised Statutes 12:201-269 and 51:1151-1165. The Board is organized for the purpose of promoting, stimulating, developing and advancing the business prosperity and economic welfare of the Parish of Claiborne and its citizens; to encourage and assist in the organization of new businesses or industries in said Parish and to rehabilitate and assist existing businesses or industries; and to stimulate and assist in the expansion of all kinds of business activities which will promote the business development in the Parish.

The Board is composed of a Board of Directors of not less than three (3) nor more than twelve (12) members, all of whom shall be duly qualified electors of and taxpayers in the Parish of Claiborne. The Directors shall be elected by the governing body of the Parish of Claiborne (the Claiborne Parish Police Jury), and they shall serve without compensation.

The following is a summary of certain significant accounting policies:

##### A. Reporting entity

As the governing authority of the parish, for reporting purposes, the Claiborne Parish Police Jury is the financial reporting entity for Claiborne Parish. The financial reporting entity consists of (a) the primary government (Claiborne Parish Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Claiborne Parish Police Jury for financial reporting purposes. The basic criterion for including a component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Notes to Financial Statements**  
**As of and for the year ended December 31, 1998**

Claiborne Economic Development Board is considered a component unit of the parish reporting entity because: (1) directors of the District are elected by the Claiborne Parish Police Jury, and (2) the Board provides services which are of benefit to residents within Claiborne Parish. The accompanying financial statements present information only on the funds maintained by the Claiborne Economic Development Board and do not present information on the Claiborne Parish Police Jury, the general government services provided by the Police Jury, or on other component units that comprise the Claiborne Parish reporting entity.

**B. Fund accounting**

*The Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.*

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Board's current operations require the use of only one governmental fund. The fund classification and a description of the existing fund type follows:

**Governmental Funds** - Governmental funds are used to account for all or most of the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

*The Board's governmental fund includes:*

1. **General fund** - the general operating fund of the Board and accounts for all financial resources, except those required to be accounting for in other funds. The Board's primary sources of revenue are interest on certificates of deposit and donations from businesses in Claiborne Parish. General operating expenditures are paid from this fund.

**C. Fixed assets**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the general fund. All purchased general fixed assets are valued at cost. No depreciation has been provided on general fixed assets. The Board currently only has land and a video of the Parish of Claiborne in its general fixed assets account group.

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Notes to Financial Statements**  
**As of and for the year ended December 31, 1998**

**D. Basis of accounting**

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Board used the following practices in recording revenues and expenditures:

Revenues - Interest income on certificates of deposit is recorded monthly when earned.

Donations are recorded when received by the Board.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. Cash**

Cash includes amounts in demand deposits. Cash equivalents include amounts in certificates of deposits. Under state law, the Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Board may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1998, the Board had cash and cash equivalents totaling \$50,878. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. All cash balances at December 31, 1998, were secured by federal deposit insurance.

**F. Vacation and sick leave**

The Board only has one part-time employee and has not adopted a formal vacation and sick leave policy.

CLAIBORNE ECONOMIC DEVELOPMENT BOARD  
Notes to Financial Statements  
As of and for the year ended December 31, 1998

G. Total column on combined statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation.

2. General fixed assets

The following details general fixed assets of the Board at December 31, 1998:

Land	\$56,260
Video	<u>2,717</u>
Total	<u>\$58,977</u>

There were no changes in general fixed assets for the year ended December 31, 1998.

3. Pension plan

The Board's part-time employee participates in the federal social security program. The Board is required to remit to the Social Security Administration an amount equal to the employee's contribution.

4. Notes receivable

The Claiborne Economic Development Board purchased a piece of property and made improvements to the property. In connection with the purchase and improvements of the property, the Board incurred debt in the amount of \$60,085 with Planter's Bank & Trust. The Board sold the property to Superior Foods. During the year ended December 31, 1996, the Board issued a notes receivable for \$53,779 to Superior Foods for the purchase amount of the property. The note was issued at 7.5% interest for forty months requiring monthly payments of \$1,500. For the year ended December 31, 1998, the balance of notes receivable is \$18,289.

5. Litigation and claims

The Board was not involved in any litigation at December 31, 1998, nor is it aware of any unasserted claims.

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Notes to Financial Statements**  
**As of and for the year ended December 31, 1998**

6. Notes Payable

For the year ended December 31, 1998, the Claiborne Economic Development Board had a note payable with Peoples Bank & Trust with a principal balance outstanding of \$29,874. This note has an interest rate of 7.7% and requires monthly payments of \$1,500. The annual requirements to amortize debt outstanding as of December 31, 1998 including interest payments of \$2,192 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	16,266	1,734	18,000
2000	<u>13,608</u>	<u>458</u>	<u>14,066</u>
Total	<u>\$ 29,874</u>	<u>2,192</u>	<u>32,066</u>

7. Board of Directors

The following serve a members of the Board of Directors of the Claiborne Economic Development Board for the year ended December 31, 1998:

J.T. Taylor	President	Tom Crocker	Director
George Emerson	Vice-President	David Aubrey	Director
Bryant Lewis	Secretary-Treasurer	Ed Foster	Director
Keith Alexander	Director		

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Schedule of Prior Year Findings**  
**As of and for the year ended December 31, 1998**

We have compiled the general purpose financial statements of the Claiborne Economic Development Board as of and for the year ended December 31, 1998, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. For the prior year ended December 31, 1997, there were no findings that were required to be reported.

**CLAIBORNE ECONOMIC DEVELOPMENT BOARD**  
**Corrective Action Plan for Current Year Findings**  
**As of and for the year ended December 31, 1998**

There were no findings required to be reported for the year ended December 31, 1998.