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**NATCHITOCHEs AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEs, LOUISIANA
FINANCIAL STATEMENTS
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 MAY 12 1999

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ECONOMIC DEVELOPMENT FUND
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DECEMBER 31, 1998

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NATCHITOCHEs AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEs, LOUISIANA
TRANSMITTAL LETTER
ANNUAL FINANCIAL STATEMENT

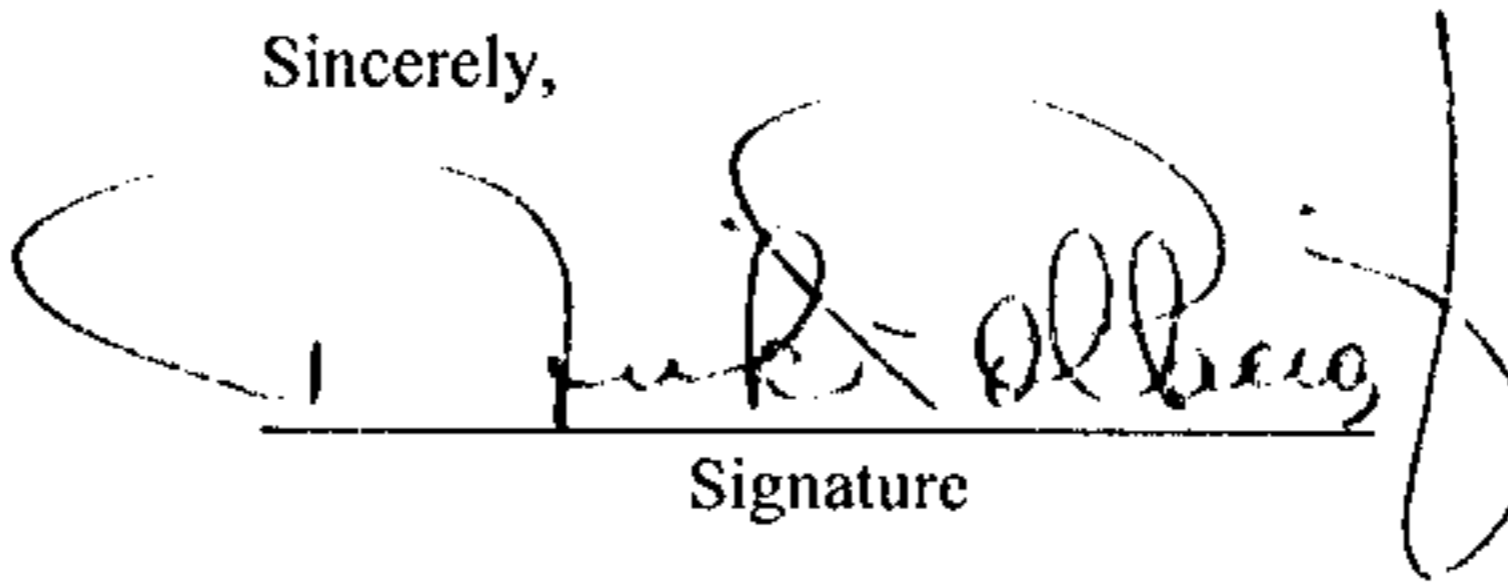
April 22, 1999

Mr. Daniel G. Kyle
Office of the Legislative Auditor
P. O. Box 94397, 1600 North Third
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Natchitoches Area Chamber of Commerce Economic Development Fund for the year ended December 31, 1998. The financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Signature

Enclosure

STATE OF LOUISIANA
NATCHITOCHEs AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEs, LOUISIANA

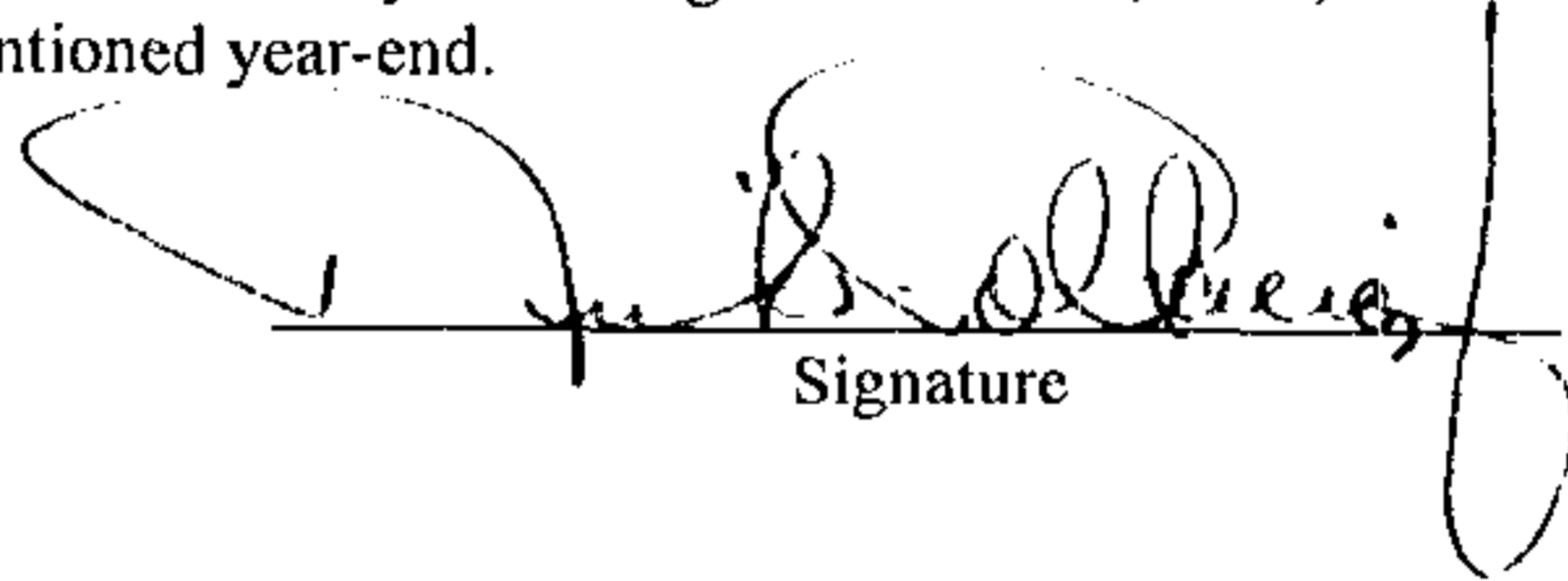
**ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS**

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 year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24:513(I)(I)(c)(I).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Nick Pollacia, Executive Director of the Natchitoches Area Chamber of Commerce, Natchitoches, Louisiana, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Natchitoches Area Chamber of Commerce Economic Development Fund, Natchitoches, Louisiana, and the results of its operations for the year ended December 31, 1998, in accordance with generally accepted accounting principles.

In addition, Nick Pollacia, Executive Director of the Natchitoches Area Chamber of Commerce, Natchitoches, Louisiana, who, duly sworn, deposes and says that the Natchitoches Area Chamber of Commerce Economic Development Fund 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 year-end.



Signature

Sworn to and subscribed before me, this 22nd day of APRIL, 1999.



NOTARY PUBLIC

Officer	<u>Nick Pollacia</u>
Address	<u>P.O. Box 3</u> <u>Natchitoches, La 71458</u>
Telephone No.	<u>(318) 352-6894</u>

NATCHITOCHEs AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEs, LOUISIANA
BALANCE SHEET
DECEMBER 31, 1998

ASSETS

Cash and cash equivalents	\$ 79,413
Investments	<u>89,643</u>
Total Assets	<u>\$ 169,056</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 0
Fund balance Reserved	<u>169,056</u>
Total Liabilities and Fund Balance	<u>\$ 169,056</u>

NATCHITOCHEs AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEs, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1998

REVENUES	
Grants and receipts from other governments	\$ 45,117
Interest income	<u>6,338</u>
Total Revenues	51,455
EXPENDITURES	
Advertising and promotion	39,336
Capital outlay	3,602
Supplies	1,636
Telephone	<u>543</u>
Total Expenditures	<u>45,117</u>
Excess of Revenues Over/(Under) Expenditures	6,338
Fund Balance, Beginning of year	<u>162,718</u>
Fund Balance, End of year	<u><u>\$ 169,056</u></u>

NATCHITOCHEs AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEs, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Natchitoches Area Chamber of Commerce (the "Chamber"), Natchitoches, Louisiana, a not-for-profit corporation was established under the laws of the State of Louisiana in 1919. The purpose of the Chamber is to foster, protect, and promote the agricultural, commercial, industrial, civic, educational and general interests of the City of Natchitoches and the Parish of Natchitoches, Louisiana, and surrounding regions. It is operated by a board which consists of eighteen elected members, each serving three year terms.

The Chamber of Commerce Economic Development Fund uses fund accounting 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 relating to certain government functions or activities.

Fund Accounting

The Chamber of Commerce Economic Development Fund is accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Chamber of Commerce Economic Development Fund is classified as a governmental fund. Governmental funds account for the general activities, including collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become available as net current assets. Intergovernmental revenues and interest are accrued when their receipt occurs soon enough after the end of the accounting period to be both *measurable and available*.

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

Cash and Cash Equivalents

Cash includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents include all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

Fund Balance

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Designated fund balances represent tentative plans for future use of financial resources.

NATCHITOCHEES AREA CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT FUND
NATCHITOCHEES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Louisiana Revised Statutes authorize the Chamber of Commerce Economic Development Fund to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Deposits are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

At December 31, 1998, the Chamber of Commerce Economic Development Fund had cash and cash equivalents totaling \$79,413, as follows:

Interest-bearing demand deposits	\$	34,476
Money market accounts		25,966
Time deposits		<u>18,971</u>
Total	\$	<u><u>79,413</u></u>

The Chamber of Commerce Economic Development Fund had investments totaling \$89,643 as of December 31, 1998. These investments consist of \$89,643 in certificates of deposit.

Under state law, these deposits 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 equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. At December 31, 1998, the Chamber of Commerce Economic Development Fund had \$169,056 in bank deposits of which \$169,056 were secured by federal deposit insurance.

NOTE 3 FUND BALANCE

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of the fund balance accounts are summarized below.

General Fund - Reserved for Economic Development - This reserve was created to represent unexpended funds received by the Chamber of Commerce Economic Development fund pursuant to Act 407 of the 1993 Regular Legislative Session which provided for a rebate of sales taxes collected by the State of Louisiana to the Natchitoches Chamber of Commerce Economic Development Fund. These monies are legally restricted to "use for economic development".

NOTE 4 LEASES

The Chamber of Commerce Economic Development Fund was not involved in any capital or operating leases at December 31, 1998.

NOTE 5 PENDING LITIGATION

At December 31, 1998, the Chamber of Commerce Economic Development Fund was not involved in any litigation.

NOTE 6 GRANTS AND RECEIPTS FROM OTHER GOVERNMENTS

During the year ended December 31, 1998, the Natchitoches Area Chamber of Commerce Economic Development Fund received the following grants from the State of Louisiana:

Act 18 - Natchitoches Parish Economic Development Fund	\$	<u><u>45,117</u></u>
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