

**The Greater Baton Rouge Economic  
Partnership, Inc.  
Baton Rouge, Louisiana  
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 9-1-04

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July 8, 2004

**Independent Auditor's Report**

Board of Directors  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statements of financial position of

**The Greater Baton Rouge Economic Partnership, Inc.**  
**(A Not-for-Profit Organization)**  
**Baton Rouge, Louisiana**

as of December 31, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of The Greater Baton Rouge Economic Partnership, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater Baton Rouge Economic Partnership, Inc., as of December 31, 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated April 2, 2004 on our consideration of The Greater Baton Rouge Economic Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Yours truly,

*Hawthorn, Weymouth & Carroll, L.L.P.*

**The Greater Baton Rouge Economic Partnership, Inc.**  
**Statements of Financial Position**  
**December 31, 2003 and 2002**

<b>A s s e t s</b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b>Current Assets</b>		
Cash and cash equivalents	\$135,487	\$67,729
Accounts receivable	<u>70,468</u>	<u>          </u>
<u>Total assets</u>	<u>205,955</u>	<u>67,729</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$1,046	\$263
Due to related party	80,141	47,086
Deferred Leadership income	12,749	13,559
Other deferred income	<u>13,316</u>	<u>1,352</u>
<u>Total liabilities</u>	<u>107,252</u>	<u>62,260</u>
<b>Net Assets</b>		
Unrestricted	98,703	3,977
Temporarily unrestricted	<u>          </u>	<u>1,492</u>
<u>Total net assets</u>	<u>98,703</u>	<u>5,469</u>
<u>Total liabilities and net assets</u>	<u>205,955</u>	<u>67,729</u>

The accompanying notes are an integral part of these statements.

**The Greater Baton Rouge Economic Partnership, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2003 and 2002**

	2003			2002		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes Net Assets</b>						
<b>Revenue</b>						
Contributions - In Kind	\$197,654		\$197,654	\$209,799		\$209,799
Community Report Card	6,633		6,633	5,819		5,819
Leadership income	28,554		28,554	34,659		34,659
Teens As Leaders	11,878		11,878	10,031		10,031
Citizens Task Force	29,909		29,909	58,508	1,492	60,000
Capital Regional Competitive Strategy	789,561		789,561	123,500		123,500
Interest income	106		106	186		186
Economic Development	50,000		50,000	50,000		50,000
Net assets released from restrictions	<u>1,492</u>	<u>(1,492)</u>	<u>          </u>	<u>23,326</u>	<u>(23,326)</u>	<u>          </u>
<b>Total revenues</b>	<u>1,115,787</u>	<u>(1,492)</u>	<u>1,114,295</u>	<u>515,828</u>	<u>(21,834)</u>	<u>493,994</u>
<b>Expenses</b>						
In-Kind expense	197,654		197,654	209,799		209,799
Community Report Card	6,633		6,633	5,835		5,835
Economic development	50,000		50,000	50,000		50,000
Leadership program	33,616		33,616	33,042		33,042
Teens As Leaders	11,878		11,878	10,037		10,037
Citizens Task Force	31,253		31,253	81,834		81,834
Capital Regional Competitive Strategy	689,913		689,913	137,903		137,903
Miscellaneous	<u>114</u>	<u>          </u>	<u>114</u>	<u>1,265</u>	<u>          </u>	<u>1,265</u>
<b>Total expenses</b>	<u>1,021,061</u>	<u>          </u>	<u>1,021,061</u>	<u>529,715</u>	<u>          </u>	<u>529,715</u>
<b>Changes in Net Assets</b>	94,726	(1,492)	93,234	(13,887)	(21,834)	(35,721)
<b>Net Assets</b>						
Beginning of year	<u>3,977</u>	<u>1,492</u>	<u>5,469</u>	<u>17,864</u>	<u>23,326</u>	<u>41,190</u>
End of year	<u>98,703</u>	<u>          </u>	<u>98,703</u>	<u>3,977</u>	<u>1,492</u>	<u>5,469</u>

The accompanying notes are an integral part of these statements.

**The Greater Baton Rouge Economic Partnership, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$93,234	(\$35,721)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in accounts receivable	(70,468)	
(Increase) decrease in Promise to Give		25,000
Increase (decrease) in accounts payable	783	(9,161)
Increase (decrease) in due to related party	33,055	38,013
Increase (decrease) in deferred Leadership income	(810)	1,106
Increase (decrease) in other deferred income	<u>11,964</u>	<u>(5,726)</u>
<u>Net cash provided by operating activities</u>	<u>67,758</u>	<u>13,511</u>
<b>Net Increase in Cash and Cash Equivalents</b>	67,758	13,511
<b>Cash and Cash Equivalents, beginning of year</b>	<u>67,729</u>	<u>54,218</u>
<b>Cash and cash Equivalents, end of year</b>	<u>135,487</u>	<u>67,729</u>
 <b>Supplemental Schedule of Non Cash Operating Activities:</b>		
Management service, program expenses and support including use of office space, equipment and support staff are provided by the Chamber in the form of in-kind contributions. The allocation of contributions and expenses paid by the Chamber are as follows:		
Salaries and wages	162,432	175,414
Program expenses	13,697	2,510
Building and equipment usage	<u>21,525</u>	<u>31,875</u>
	<u>197,654</u>	<u>209,799</u>

The accompanying notes are an integral part of these statements.

**The Greater Baton Rouge Economic Partnership, Inc.**  
**Notes to Financial Statements**  
**December 31, 2003 and 2002**

**Note 1-Nature of Organization and Summary of Significant Accounting Policies**

A. Nature and Purpose

The Greater Baton Rouge Economic Partnership, Inc. (the Organization) was incorporated on April 19, 1994 and was formed as a public non-profit organization under Internal Revenue Code Section 501(c)(3). According to its by-laws, the mission of the organization is to benefit and increase the quality of life of the general public in and around the Baton Rouge area by promoting and supporting activities and functions that attract business, educate the public, create jobs that otherwise tend to increase economic growth and development in the region.

B. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

C. Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-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.

D. Contributions

The Organization has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made". Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence of nature of any donor restrictions.

E. 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



**The Greater Baton Rouge Economic Partnership, Inc.**  
**Notes to Financial Statements**  
**December 31, 2003 and 2002**

**Note 1-Nature of Organization and Summary of Significant Accounting Policies (Continued)**

F. Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days.

G. Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and classified by the Internal Revenue Service as other than a private foundation.

H. Reclassifications

Certain reclassifications have been made to the 2002 financial statements to conform with the 2003 financial statement presentation. The reclassifications had no effect on net assets.

**Note 2-Temporary Restrictions of Net Assets**

Citizens Task Force

The Citizens Task Force was established as a friend to the Court, to assist the East Baton Rouge community to settle a forty-five year law suit. To fund this task, the Organization has acquired donations from unrelated parties and from Chamber (Note 3).

Temporarily restricted net assets are restricted as follows:

	<u>2003</u>	<u>2002</u>
Citizens Task Force	<u>-</u>	<u>\$1,492</u>

**Note 3-Related Party Transactions**

The Greater Baton Rouge Economic Partnership, Inc., and the Greater Baton Rouge Chamber of Commerce, Inc., work closely together to develop and enhance the growth of the Baton Rouge economy. The Chamber provided contributions in-kind in the form of management services, support and indirect costs including equipment use, office space and support staff. The total amount of these contributions for 2003 and 2002 was \$197,654 and \$209,799, respectively.

The Greater Baton Rouge Economic Partnership, Inc., owes the Chamber \$80,141 for various program expenses. There were a total of \$261,543 in reimbursements to the Chamber in 2003.

The Organization received \$145,981 through December 31, 2003 from the Chamber to support the Citizens Task Force (Note 2). Of this amount, \$30,000 was received during 2002. There were no funds received from the Chamber in 2003 for the Citizens Task Force.

**The Greater Baton Rouge Economic Partnership, Inc.**  
**Notes to Financial Statements**  
**December 31, 2003 and 2002**

**Note 3-Related Party Transactions (Continued)**

The Organization has received a total of \$200,000 from the Chamber to help support Economic Development as of December 31, 2003. Of this amount, \$50,000 was received in 2003. There were no funds in 2002 for Economic Development.

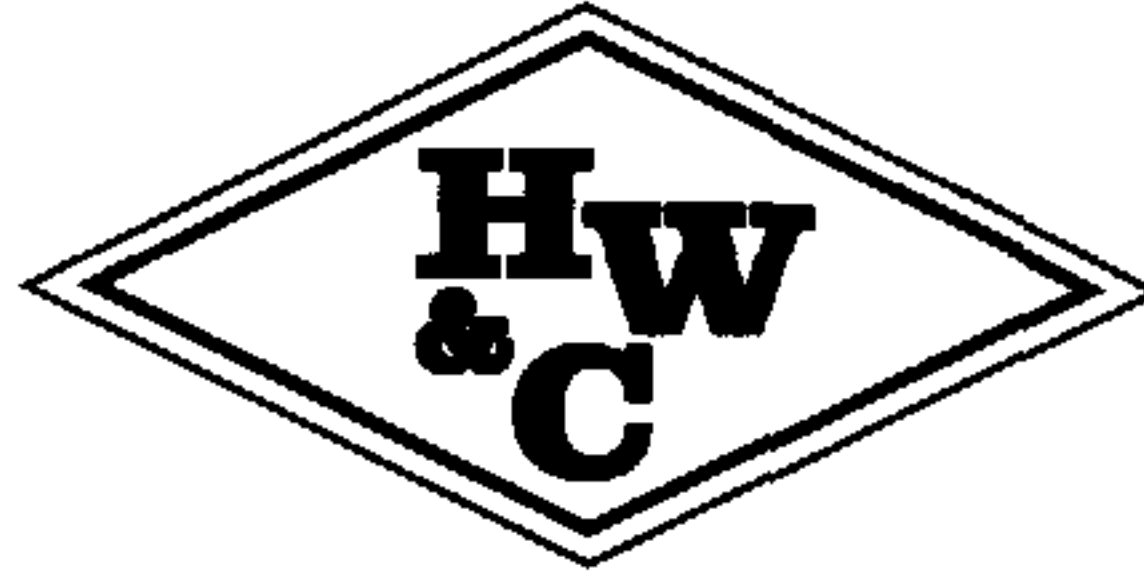
**Note 4-Commitments**

The Greater Baton Rouge Economic Partnership, Inc., entered into a contractual agreement with ICF Consulting (ICF) on August 24, 2001, for a total sum of \$500,000 for consulting services to be provided by ICF. Payments were to be made in \$100,000 installments as the work was completed. As of December 31, 2003, a single installment of \$50,000 will be paid upon completion of the final phase of services to be provided by ICF, which is expected to occur during 2004.

**Note 5-Concentrations of Credit Risk**

At various times during the year, cash and cash equivalents on deposit with one banking institution exceeded the \$100,000 insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with its balances in cash and cash equivalents, to minimize potential risk.

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July 8, 2004

**Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Board of Directors  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, Louisiana

Members of the Board:

We have audited the financial statements of

**The Greater Baton Rouge Economic Partnership, Inc.  
(A Non-Profit Organization)  
Baton Rouge, Louisiana**

as of and for the year ended December 31, 2003, and have issued our report thereon dated July 8, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Greater Baton Rouge Economic Partnership, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Greater Baton Rouge Economic Partnership, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of The Greater Baton Rouge Economic Partnership, Inc., management, the Louisiana State Legislative Auditor, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,

*Hawthorn, Weymouth & Carroll, L.L.P.*

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July 8, 2004

Board of Directors  
The Greater Baton Rouge Economic Partnership  
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of The Greater Baton Rouge Economic Partnership, for the year ended December 31, 2003, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of a compliance issue that needs to be addressed. This letter summarizes our comments and suggestions regarding those matters.

The audit report is to be submitted to the Louisiana Legislative Auditor no more than six months after the ended of the fiscal year. The report has been delayed due to the unexpected scheduling conflicts with the auditing firm. Planning and preparations should be made to anticipate circumstances which would delay reports beyond the required filing date and plan accordingly.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with Partnership personnel, and we will be pleased to discuss them in further detail at your convenience and you in implementing the recommendations.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*