7197

RECEIV
LEGIS...

04 JUL 19 AM

Financial Statements

ENTERPRISE CENTER OF LOUISIANA

December 31, 2003 and 2002

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 9-8-04

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS
Tulsa, Oklahoma

ENTERPRISE CENTER OF LOUISIANA, INC.

INDEPENDENT AUDITOR'S REPORT

and

FINANCIAL STATEMENTS

December 31, 2003 and 2002

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

ENTERPRISE CENTER OF LOUISIANA, INC.

December 31, 2003 and 2002

TABLE OF CONTENTS

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Enterprise Center of Louisiana, Inc.
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Enterprise Center of Louisiana, Inc. as of December 31, 2003, and the related statements of activities, changes in net assets, and cash flows for the period then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The summarized information pertaining to December 31, 2002 is derived from financial statements audited in that year and is provided for comparative purposes only.

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. Those standards require that we 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. We believe that our audit provides 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 Enterprise Center of Louisiana, Inc., as of December 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2004 on our consideration of Enterprise Center of Louisiana, Inc.'s internal control over financial reporting and 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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Briscoe, Burke + Grigsby LLP

Certified Public Accountants

January 30, 2004
Tulsa, Oklahoma

Members American Institute of Certified Public Accountants
4120 East 51st Street Suite 100 Tulsa, Oklahoma 74135-3633 (918) 749-8337

ENTERPRISE CENTER OF LOUISIANA, INC.

Statements of Financial Position

For the Years Ended December 31, 2003 and 2002

ASSETS	Unrestricted	Temporarily Restricted	Total All Funds 2003	Total All Funds 2002
Current assets:				
Cash	$ 381,333	$ 58,214	$ 439,547	$ 399,644
Accounts receivable (less allowance for doubtful accounts: (2003 - $881, 2002 - $881)	11,631	-	11,631	30,530
Due (to) from other funds	13,547	(13,547)	-	-
Total current assets	**406,511**	**44,667**	**451,178**	**430,174**
Notes receivable (less allowance for doubtful accounts 2003 - $8,600, 2002 - $7,400)	-	1,733	1,733	2,034
Fixed assets:				
Communication equipment	38,747	-	38,747	38,747
Furniture, fixtures and office equipment	162,344	-	162,344	80,575
Leasehold improvements	517,725	-	517,725	584,143
Less: accumulated depreciation	(269,037)	-	(269,037)	(242,752)
Total fixed assets	**449,779**	-	**449,779**	**460,713**
TOTAL ASSETS	**$ 856,290**	**$ 46,400**	**$ 902,690**	**$ 892,921**
LIABILITIES and NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	$ 5,834	$ -	$ 5,834	$ 5,426
Total current liabilities	**5,834**	-	**5,834**	**5,426**
Deposits held	6,042	-	6,042	6,341
Total liabilities	**11,876**	-	**11,876**	**11,767**
Net assets:				
Net assets	844,414	46,400	890,814	881,154
Total net assets	**844,414**	**46,400**	**890,814**	**881,154**
TOTAL LIABILITIES and NET ASSETS	**$ 856,290**	**$ 46,400**	**$ 902,690**	**$ 892,921**

The accompanying notes are an integral part of these financial statements.

ENTERPRISE CENTER OF LOUISIANA, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended December 31, 2003 and 2002

	Unrestricted	Temporarily Restricted	Total All Funds 2003	Total All Funds 2002
Revenues				
Program revenues	$ 95,821	$ -	$ 95,821	$ 119,810
Expenditures				
Indirect program costs				
Salaries and wages	113,070	-	113,070	112,959
Employee benefits and taxes	10,907	-	10,907	15,540
ECOL board expenses	2,795	-	2,795	3,409
Office supplies	7,784	-	7,784	5,601
Depreciation	26,285		26,285	24,074
Public relations and advertising	5,663	-	5,663	2,974
Occupancy and maintenance	32,457	-	32,457	19,105
Postage	1,125	-	1,125	594
Travel, meals and lodging	5,619	-	5,619	2,568
Telephone and utilities	15,821	-	15,821	12,519
Insurance	12,410	-	12,410	9,425
Internet services	3,535	-	3,535	5,108
Bad debt expense	284	1,200	1,484	1,803
Other operating expenses	9,694	-	9,694	5,660
Total indirect program costs	**247,449**	**1,200**	**248,649**	**221,339**
Other income				
Interest income	5,545	-	5,545	9,897
Other income	-	-	-	180
Grants	156,943	-	156,943	98,131
Donations	-	-	-	1,394
Total other income	**162,488**	-	**162,488**	**109,602**
Increase (decrease) in net assets	**10,860**	**(1,200)**	**9,660**	**8,073**
Net assets - beginning of year	833,554	47,600	881,154	873,081
Net assets - end of year	**$ 844,414**	**$ 46,400**	**$ 890,814**	**$ 881,154**

The accompanying notes are an integral part of these financial statements.

ENTERPRISE CENTER OF LOUISIANA, INC.

Statements of Cash Flows

For the Years Ended December 31, 2003 and 2002

		2003		2002
Cash flows from operating activities:				
Grants	$	156,943	$	98,131
Donations		-		1,394
Other net decreases in unrestricted net assets		(147,283)		(91,452)
Depreciation expense		26,285		24,074
(Increase)Decrease in accounts and notes receivable		19,200		(26,170)
Increase(Decrease) in accounts payable		408		1,112
Increase(Decrease) in deposits held		(299)		(1,442)
Net cash provided by operating activities		**55,254**		**5,647**
Cash flows from investing activities:				
Net increase in plant assets		(15,351)		(12,147)
Net cash used (made) by investing activities		**(15,351)**		**(12,147)**
Cash flows from financing activities:				
Net cash provided by financing activities		-		-
Net increase (decrease) in cash and cash equivalents		**39,903**		**(6,500)**
Cash and cash equivalents at beginning of period		399,644		406,144
Cash and cash equivalents at end of period	**$**	**439,547**	**$**	**399,644**

		2003		2002
Cash paid during the year for				
Interest	$	85	$	28
Income taxes		-		-

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The accompanying notes are an integral part of these statements.

ENTERPRISE CENTER OF LOUISIANA, INC.

Notes to Financial Statements

December 31, 2003 and 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Enterprise Center of Louisiana, Inc. (the Corporation) was incorporated June 6, 1990 as a tax-exempt, not-for-profit organization. The Corporation's principle purpose is to assist in the economic development of the southwest Louisiana area.

The Corporation is structured as an incubator which assists new businesses to enhance their chances of survival by providing occupancy and various services and support at below-market rates.

Accounting Estimates - The presentation 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.

Credit Risk - Financial instruments which potentially subject the Corporation to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. The Corporation places its temporary cash investments with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. The Corporation provides credit, in the normal course of business, to its clients. The Corporation performs ongoing credit evaluations of its clients and maintains allowances for potential credit losses which, when realized, have been within the range of management's allowance for doubtful accounts.

At December 31, 2003 the Corporation had $166,527 of cash in banks in excess of FDIC insured limits.

Fair Value of Financial Instruments - Financial instruments include cash and temporary cash investments. The carrying value of cash and temporary cash investments approximates fair value because of the short maturity of those instruments.

2. DONATIONS

Donation revenue for the years ended December 31, 2003 and 2002 consisted of the following:

	2003	2002
SLEMCO capital credit escheat	$ -	$ 1,394
	$ -	$ 1,394

3. DEPRECIATION

Depreciation is calculated on straight-line methods over the estimated useful lives of the respective assets.

Estimated depreciable lives of property and equipment are shown below:

	Years
Communication equipment	5
Furniture and fixtures	5 - 7
Office equipment	5
Leasehold improvements	31

Maintenance and repairs are charged to expense as incurred. Expenditures, which significantly increase values or extend useful lives, are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in current earnings.

ENTERPRISE CENTER OF LOUISIANA, INC.

Notes to Financial Statements

December 31, 2003 and 2002

3. DEPRECIATION (continued)

The following represents the Corporation's fixed assets and accumulated depreciation as of December 31, 2003:

	Cost	Accumulated Depreciation	Net Book Value
Communication equipment	$ 38,747	$ 35,583	$ 3,164
Furniture, fixtures and office equipment	162,344	96,478	65,866
Leasehold improvements	517,725	136,976	380,749
	$ 718,816	$ 269,037	$ 449,779

Depreciation expense was $26,285 and $24,074 for the years ended December 31, 2003 and 2002, respectively.

4. INCOME TAXES

The Corporation is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code.

5. GRANTS

During 1997 the Corporation applied for and received approval for a $75,000 Rural Business Enterprise Grant from the United States Department of Agriculture. These funds are to provide a revolving loan program for the Corporation. As of December 31, 2003 the Corporation had received $55,000 in Rural Business Enterprise Grant Funds. The receivable for loans as of December 31, 2003 was $1,733 which is net of the allowance of $8,600. The $550,000 of grant funds received is shown as temporarily restricted net assets.

During 2000 the Corporation received $53,010 in Rural Business Enterprise Grant funds. These monies were used to expand and upgrade the Corporation's building facilities in order to better serve their clients.

5. GRANTS (continued)

During 2002, the Corporation was granted $200,000 in association with the State of Louisiana's Vision 2020 plan for economic development. The scope of the grant is to assist in operating and maintaining the existing business incubator. The payment terms of the grant are on a reimbursement basis upon receipt from the Corporation of approved expenditures. The contract duration was from July 1, 2002 through June 30, 2003. At the time of the December 31, 2002 audit, the Corporation had submitted documentation for reimbursement in the amount of $100,785. Of the aforementioned amount, $18,258 had been reimbursed by the State of Louisiana. The Corporation has $99,815 of remaining grant monies at year end 2002.

In July, 2003 the Corporation received a Cooperative Endeavor Agreement from the Louisiana Department of Economic Development. The Agreement is for $124,062 and is part of the Vision 2020 which is the Master Plan for Economic Development for the State of Louisiana. The payment terms of the Agreement are on a reimbursement basis upon receipt from the Corporation of approved expenditures. The Agreement duration is from July 1, 2003 through June 30, 2004.

6. UNRESTRICTED NET ASSETS

Unrestricted net assets at December 31, 2003 and 2002 consisted of the following:

	2003	2002
Common stock - (par value $1.00, 2,000 shares authorized, 1,000 shares issued and outstanding)	$ 1,000	$ 1,000
Unrestricted net assets	843,414	832,554
Total unrestricted net assets	$ 844,414	$ 833,554

At December 31, 2003, the Corporation had restricted accounts receivable in the amount of $8,826. The client owing this amount has paid recently, however, due to the slow payment, the Corporation is increasing their allowance for doubtful accounts on a monthly basis in the event this account is written off. The Corporation is also accruing liability interest on the outstanding balance.

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

RECEIVED
LEGISLATIVE AUDITOR
04 JUL 19 AM 11:23

January 30, 2004

Board of Directors
Enterprise Center of Louisiana, Inc.
Lafayette, Louisiana

We have audited the financial statements of Enterprise Center of Louisiana, Inc. as of and for the year ended December 31, 2003, and have issued our report thereon dated January 30, 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 Enterprise Center of Louisiana, 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 Enterprise Center of Louisiana, 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 for the information of the Board of Directors, management, and the Rural Utilities Service, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Briscoe, Burke + Grigsby LLP

Certified Public Accountants

January 30, 2004
Tulsa, Oklahoma

Members American Institute of Certified Public Accountants
4120 East 51st Street Suite 100 Tulsa, Oklahoma 74135-3633 (918) 749-8337