9902

Financial Statements

of
Morehouse Economic Development Corp.
For the Year Ended September 30, 2004

Kenneth M. Bernard, CPA, LLC
Certified Public Accountant
1915 East Madison Avenue
Bastrop, Louisiana 71220

Kenneth M. Bernard, CPA/PFS
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Rick W. Duplissey, LLM

Phone: 318-281-6049

Fax : 318-281-8896

Morehouse Economic Development Corp.
P.O. Box 1417
Bastrop, Louisiana 71220

I have compiled the accompanying statement of assets, liabilities, and net assets-cash basis of Morehouse Economic Development Corporation (a nonprofit organization) as of September 30, 2004 and the related statement of revenues and expenses-cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The company's policy is to prepare its financial statements on the cash basis of accounting. This basis differs from generally accepted accounting principles primarily because certain revenue and the related assets are recognized when received rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and change in net assets in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, and net assets. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Kenneth M. Bernard
October 28, 2004

Morehouse Economic Development Corp.
Statement of Assets, Liabilities, and
Net Assets - Cash Basis
September 30, 2004

ASSETS

Current Assets			
Cash on hand	$	47.70	
Cash in bank		25,786.87	
Certificate of deposit		13,417.82	
Total Current Assets			$ 39,252.39
Property and Equipment			
Property and equipment		3,991.94	
Computer software		864.98	
Total Property and Equipment			4,856.92
Total Assets			$ 44,109.31

Morehouse Economic Development Corp.
Statement of Assets, Liabilities, and
Net Assets - Cash Basis
September 30, 2004

LIABILITIES AND NET ASSETS

Net Assets

Fund balance	$	38,710.95
Excess Revenues Over Expenses		5,398.36
Total Net Assets		**44,109.31**
Total Liabilities & Net Assets	$	**44,109.31**

Morehouse Economic Development Corp.
Statement of Revenues and Expenses - Cash Basis
For the Year Ended September 30, 2004

	12 Months Ended Sep. 30, 2004	Pct
Revenues		
Tourism revenue	$ 50,000.00	64.35
Interest income	473.83	0.61
Grants	832.64	1.07
Membership dues	26,390.00	33.97
Total Revenues	77,696.47	100.00
Expenses		
Advertising	2,518.04	3.24
Consulting fees	7,276.64	9.37
Corporate functions	389.00	0.50
Director fees	27,500.00	35.39
Dues and subscriptions	260.64	0.34
Insurance	656.25	0.84
Meals and entertainment	386.50	0.50
Miscellaneous	245.03	0.32
Morehouse Tourism Commission	25,000.00	32.18
Office expense	2,574.48	3.31
Telephone	1,824.49	2.35
Travel	3,667.04	4.72
Total Expenses	72,298.11	93.05
Excess Revenues Over Expenses	$ 5,398.36	6.95