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Financial Statements

ENTERPRISE CENTER OF LOUISIANA

December 31, 2005 and 2004

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

ENTERPRISE CENTER OF LOUISIANA, INC.

December 31, 2005 and 2004

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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, 2005, 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, 2004 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, 2005, 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 February 2, 2006, on our consideration of Enterprise Center of Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Briscoe, Burke + Grigsby LLP

Certified Public Accountants

February 2, 2006
Tulsa, Oklahoma

Members American Institute of Certified Public Accountants
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ENTERPRISE CENTER OF LOUISIANA, INC.

Statements of Financial Position

For the Years Ended December 31, 2005 and 2004

ASSETS	Unrestricted	Temporarily Restricted	Total All Funds 2005	Total All Funds 2004
Current assets:				
Cash	$ 223,908	$ 55,790	$ 279,698	$ 358,657
Accounts receivable (less allowance for doubtful accounts: (2005 - $881, 2004 - $881)	1,677	-	1,677	2,897
Due (to) from other funds	9,617	(9,617)	-	-
Total current assets	**235,202**	**46,173**	**281,375**	**361,554**
Fixed assets:				
Autos	33,718	-	33,718	33,718
Communication equipment	60,803	-	60,803	38,747
Furniture, fixtures and office equipment	46,810	-	46,810	133,897
Leasehold improvements	583,413	-	583,413	517,726
Less: accumulated depreciation	(303,057)	-	(303,057)	(268,745)
Total fixed assets	**421,687**	**-**	**421,687**	**455,343**
TOTAL ASSETS	**$ 656,889**	**$ 46,173**	**$ 703,062**	**$ 816,897**
LIABILITIES and NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	$ 6,203	$ -	$ 6,203	$ 6,480
Total current liabilities	**6,203**	**-**	**6,203**	**6,480**
Deposits held	10,067	-	10,067	6,767
Total liabilities	**16,270**	**-**	**16,270**	**13,247**
Net assets:				
Net assets	640,619	46,173	686,792	803,650
Total net assets	**640,619**	**46,173**	**686,792**	**803,650**
TOTAL LIABILITIES and NET ASSETS	**$ 656,889**	**$ 46,173**	**$ 703,062**	**$ 816,897**

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, 2005 and 2004

	Unrestricted	Temporarily Restricted	Total All Funds 2005	Total All Funds 2004
Revenues				
Program revenues	$ 99,846	$ -	$ 99,846	$ 72,322
Expenditures				
Indirect program costs				
Salaries and wages	127,293	-	127,293	116,285
Employee benefits and taxes	14,599	-	14,599	13,289
ECOL board expenses	663	-	663	432
Office supplies	4,205	-	4,205	5,491
Depreciation	34,313	-	34,313	33,874
Public relations and advertising	7,148	-	7,148	14,947
Occupancy and maintenance	33,717	-	33,717	42,527
Postage	408	-	408	445
Travel, meals and lodging	3,542	-	3,542	4,022
Telephone and utilities	16,585	-	16,585	14,664
Insurance	10,215	-	10,215	9,931
Internet services	2,508	-	2,508	2,429
Bad debt expense	-	-	-	2,558
Donations	-	-	-	115
Other operating expenses	15,337	-	15,337	16,787
Total indirect program costs	**270,533**	**-**	**270,533**	**277,796**
Other income				
Interest income	5,052	-	5,052	4,140
Other income	-	-	-	331
Grants	50,000	-	50,000	112,843
Transfers	-	(1,223)	(1,223)	996
Total other income	**55,052**	**(1,223)**	**53,829**	**118,310**
Increase (decrease) in net assets	**(115,635)**	**(1,223)**	**(116,858)**	**(87,164)**
Net assets - beginning of year	756,254	47,396	803,650	890,814
Net assets - end of year	**$ 640,619**	**$ 46,173**	**$ 686,792**	**$ 803,650**

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

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

ENTERPRISE CENTER OF LOUISIANA, INC.

Statements of Cash Flows

For the Years Ended December 31, 2005 and 2004

	2005	2004
Cash flows from operating activities:		
Grants	$ 50,000	$ 112,843
Other net decreases in unrestricted net assets	(201,171)	(234,173)
Depreciation expense	34,313	33,874
(Increase) Decrease in accounts receivable	1,220	10,467
Increase (Decrease) in accounts payable	(277)	647
Increase (Decrease) in deposits held	3,300	725
Net cash provided by operating activities	**(112,615)**	**(75,617)**
Cash flows from investing activities:		
Net increase(decrease) in plant assets	33,656	(5,273)
Net cash provided(used) by investing activities	**33,656**	**(5,273)**
Net increase (decrease) in cash and cash equivalents	**(78,959)**	**(80,890)**
Cash and cash equivalents at beginning of period	358,657	439,547
Cash and cash equivalents at end of period	**$ 279,698**	**$ 358,657**

	2005	2004
Cash paid during the year for		
Interest	$ -	$ 44
Income taxes	-	-

Disclosure of accounting policy:

For Purposes of the statement of cash flows, the Corportation 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 financial statements.

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ENTERPRISE CENTER OF LOUISIANA, INC.

Notes to Financial Statements

December 31, 2005 and 2004

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, 2005 the Corporation had $80,403 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. 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.

The following represents the Corporation's fixed assets and accumulated depreciation as of December 31, 2005:

	Cost	Accumulated Depreciation	Net Book Value
Autos	$ 33,718	$ 12,926	$ 20,793
Communication equipment	60,803	49,561	11,241
Furniture, fixtures and office equipment	46,810	42,143	4,667
Leasehold improvements	583,413	198,427	384,986
	$ 724,744	$ 303,057	$ 421,687

Depreciation expense was $34,313 and $33,874 for the years ended December 31, 2005 and 2004, respectively.

3. INCOME TAXES

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

ENTERPRISE CENTER OF LOUISIANA, INC.

Notes to Financial Statements

December 31, 2005 and 2004

4. 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, 2005 the Corporation had received $55,000 in Rural Business Enterprise Grant Funds. The receivable for loans as of December 31, 2005 was $0 which is net of the allowance of $0. The $55,000 of grant funds received, net of losses, is shown as temporarily restricted net assets.

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 was from July 1, 2003 through June 30, 2004.

In July, 2004 the Corporation received a Cooperative Endeavor Agreement from the Louisiana Department of Economic Development. The Agreement is for $50,000 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 was from July 1, 2004 through June 30, 2005.

5. UNRESTRICTED NET ASSETS

Unrestricted net assets at December 31, 2005 and 2004 consisted of the following:

	2005	2004
Common stock - (par value $1.00, 2,000 shares authorized, 1,000 shares issued and outstanding)	$ 1,000	$ 1,000
Unrestricted net assets	639,619	755,254
Total unrestricted net assets	**$ 640,619**	**$ 756,254**

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 2, 2006

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, 2005, and have issued our report thereon dated February 2, 2006. 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.

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.

Compliance and Other Matters

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 grant agreements, 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*.

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

February 2, 2006
Tulsa, Oklahoma