

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.

Hammond, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended

June 30, 2010

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 11/10/10

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TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6



LEE GRAY

CERTIFIED PUBLIC ACCOUNTANT

WWW.LEEGRAYCPA.COM

601 COURTNEY DRIVE
P. O. Box 368
AMITE, LOUISIANA 70422

PHONE (985) 748-9067
FAX (985) 748-4370
E-MAIL: LG@LEEGRAYCPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tangipahoa Economic Development Foundation, Inc.
Hammond, Louisiana

I have audited the accompanying statement of financial position of the Tangipahoa Economic Development Foundation, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tangipahoa Economic Development Foundation, Inc. as of June 30, 2010, 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.

Certified Public Accountant

October 25, 2010

Tangipahoa Economic Development Foundation, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2010

Assets

Current Assets:

Cash in bank	\$134,878
Prepaid insurance	<u>1,598</u>
Total Current Assets	<u>136,476</u>

Fixed Assets:

Office furniture and equipment	10,502
Less: Accumulated depreciation	<u>(10,502)</u>
Total Fixed Assets	<u>-</u>

Total Assets \$136,476

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 3,500
Payroll taxes payable	1,777
Accrued salaries and related benefits	<u>1,500</u>
Total Current Liabilities	<u>6,777</u>

Total Liabilities 6,777

Net Assets:

Unrestricted net assets 129,699

Total Liabilities and Net Assets \$136,476

The accompanying notes are an integral part of this statement.

Tangipahoa Economic Development Foundation, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

Support and Revenues	
Public support	
State Appropriations of Hotel Motel Taxes	\$100,000
Grant Appropriations	10,650
Service and Fee Revenue	
Membership Fees	40,033
Banquet Fees	6,925
Investment Income	<u>2,630</u>
Total Support and Revenues	<u>160,238</u>
Expenses	
Program Services	108,919
Management and General	22,465
Fund Raising	<u>5,518</u>
Total Expenses	<u>136,902</u>
Change in Net Assets	23,336
Total Net Assets, Beginning (as restated)	<u>106,363</u>
Total Net Assets, Ending	<u>\$129,699</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Economic Development Foundation, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2010

	Program Services / Economic <u>Development</u>	Management And General	Fund Raising	<u>Total</u>
Expenses				
Salaries and Wages	\$ 60,000	\$ 5,135	\$ -	\$ 65,135
Employee Benefits	6,390	547	-	6,937
Communications	2,125	-	-	2,125
Contract Labor	-	9,380	-	9,380
Insurance	1,945	2,836	-	4,781
Marketing	5,095	-	-	5,095
Professional Fees	3,975	-	-	3,975
Rent	7,325	-	-	7,325
Repairs and Maintenance	1,298	-	-	1,298
Special Events	-	-	5,518	5,518
Supplies	324	1,568	-	1,892
Travel	9,070	-	-	9,070
Other	722	2,999	-	3,721
Grant Expenses	<u>10,650</u>	<u>-</u>	<u>-</u>	<u>10,650</u>
Total Expenses	<u>\$108,919</u>	<u>\$22,465</u>	<u>\$5,518</u>	<u>\$136,902</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Economic Development Foundation, Inc.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2010

Cash Flows From Operating Activities	
Change in Net Assets	\$ 23,336
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Decrease in prepaid insurance	351
Increase in accounts payable	3,500
Increase in accrued salaries and related benefits	80
Decrease in payroll taxes payable	<u>(861)</u>
Net Cash Provided by Operating Activities	<u>26,406</u>
Cash Flows From Investing Activities	
Proceeds from redemption of investments	<u>50,000</u>
Net Cash Provided by Investing Activities	<u>50,000</u>
Net Increase in Cash	76,406
Cash, Beginning of Year (as restated)	<u>58,472</u>
Cash, End of Year	<u>\$134,878</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Economic Development Foundation, Inc.
Hammond, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2010

1. Summary of Organization and Summary of Significant Accounting Policies

Organization

Tangipahoa Economic Development Foundation, Inc. (the Organization) is a nonprofit corporation governed by a board of directors. The Organization was formed in July 1978 to promote the business interests of the Parish of Tangipahoa, Louisiana. The Organization is funded primarily by state appropriations and membership dues. Approximately 62% of the Organizations's support for the year ended June 30, 2010, came from state appropriations that flowed through Tangipahoa Parish Government.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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. In addition, the Organization is required to present a statement of cash flows.

Support and Revenues

The Organization receives support primarily from excess hotel/motel taxes that are deposited by the State of Louisiana into a "Tangipahoa Parish Economic Development Fund" (Louisiana Revised Statute 47:322.5). The monies in the Tangipahoa Economic Development Fund are subject to an annual appropriation by the legislature. This appropriation is remitted by the State of Louisiana to Tangipahoa Parish Government with the restriction that it be utilized exclusively for economic development in Tangipahoa Parish. Tangipahoa Parish Government then remits these funds directly to the Organization.

The Organization also receives revenues from dues assessed municipalities of Tangipahoa Parish. The dues are calculated as \$1 per capita based on the 1990 census and are voluntary.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less, if any, to be cash equivalents for purposes of the statement of cash flows.

Financial Instruments and Concentrations of Credit Risk

Financial investments that are exposed to concentrations of credit risk consist of cash in bank, certificates of deposit, and receivables. Cash in bank did not exceed federally insured limits at June 30, 2010.

The carrying amounts of cash in bank and current liabilities meet the definition of financial instruments approximate fair value.

Office Furniture and Equipment

Office furniture and equipment are recorded at cost as of the date of acquisition or fair value as of the date of donation. Acquisitions of office furniture and equipment with useful lives greater than one year are capitalized.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributed Services

During the year ended June 30, 2010, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

Income Taxes

The Organization is a not-for-profit organization that management believes is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

2. Office Furniture and Equipment

Fixed assets at June 30, 2010, are summarized as follows by major classification:

Furniture, fixtures, and equipment	<u>\$ 10,502</u>
Subtotal	10,502
Less: Accumulated depreciation	<u>(10,502)</u>
Fixed Assets, Net	<u>\$ -</u>

All assets are fully depreciated.

3. Compensated Absences

Full time employees earn vacation days as follows:

One through Five Years	Ten Days
Six through Ten Years	Fifteen Days
Over Ten Years	Twenty Days

No more than five days of accrued vacation may be carried over to the following year. Any days over the five-day limit will be forfeited. Upon separation of service employees are paid at their current rate of pay for any accrued vacation if at least ten working days notice is given. At June 30, 2010, the Organization had no material obligation for employee vacation.

All full time employees earn 4 hours of sick leave per month. No more than 40 hours can be accrued in a calendar year. A maximum of 40 hours can be carried to the following year. Pay in lieu of sick leave is not allowed. Any unused sick leave is forfeited upon termination. Therefore, no accruals for sick leave are reflected in these financial statements.

Tangipahoa Economic Development Foundation, Inc.
Notes to the Financial Statements
As of and for the year ended June 30, 2010

4. Retirement Plan

The Organization sponsors a savings incentive match plan (S.I.M.P.L.E.) covering full-time employees. The Organization contributed 3% of the compensation of participating employees, which amounted to \$1,954, for the fiscal year ended June 30, 2010.

5. Restated Net Assets

The Organization has restated its net assets at June 30, 2009, as follows:

Balance as of June 30, 2009 (as previously reported)	\$108,870
Void outstanding checks/deposits	(1,277)
Adjust value of certificate of deposit	<u>(1,230)</u>
Balance as of June 30, 2009 (as restated)	<u>\$106,363</u>

6. Concentration of Income Sources

The Organization's primary source of revenue is appropriations of the State of Louisiana through Tangipahoa Parish Government. For the fiscal year ended June 30, 2010, \$100,000, or 62%, of the Organization's total gross revenue was from this source. A change in this funding could substantially affect the operations of the Organization.

7. Participation Agreement

The Organization entered into an agreement with Southeastern Louisiana University (SLU), acting on behalf of the Southeastern Louisiana Business Center (SLBC), wherein SLU provides the Organization with facility space and telephone/copy services. The Organization rents office space from SLU for \$7,170 a year.

The agreement began August 14, 2009, for twelve months and is renewable for one year.

8. Commitments

On November 3, 2009, the Organization obtained an option to purchase all or part(s) of 2,917 acres in northern Tangipahoa Parish near Fluker. The option price is \$6,200 per acre with a minimum purchase of 500 acres. The consideration given for this option is the performance by the Organization of a site study on the property for use as a major industrial site.

The option remains open for twelve months, or until November 3, 2010.

The Organization has the right of first refusal if the seller receives a purchase offer from a third party during this term.