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TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.
**Financial Statements, Accountant's Compilation Report and Independent
Accountant's Report on Applying Agreed-Upon Procedures**

Year Ended June 30, 2004

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 2-16-05

Kenneth J. Frahm, C.P.A., A.P.A.C.
Certified Public Accountant

KENNETH J. FRAHM, C.P.A.

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Tangipahoa Economic Development Foundation, Inc.
P.O. Box 639
Hammond, Louisiana 70404

I have compiled the accompanying statement of financial position of Tangipahoa Economic Development Foundation, Inc. (a nonprofit organization) as of June 30, 2004, and the related statement of activities and cash flows 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.

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.


Hammond, Louisiana

December 29, 2004

TANGIPAOA ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

ASSETS:

Current Assets

Cash and cash equivalents:

Cash	\$ 89,045	
Certificates of deposit	128,795	
Total cash and cash equivalents	<u>217,840</u>	

Other current assets:

Appropriation receivable	18,988	
Total other current assets	<u>18,988</u>	

Total Current Assets 236,828

Property, Plant, and Equipment

Office & other equipment	30,514	
Less: accumulated depreciation	<u>(30,110)</u>	
Total Property, Plant, and Equipment		<u>404</u>

Total Assets **\$ 237,232**

LIABILITIES AND NET ASSETS:

Current Liabilities

Accounts payable	\$ 0	
Payroll taxes payable	2,253	
Accrued salaries and related benefits	<u>3,519</u>	
Total Current Liabilities		5,772

Long Term Liabilities 0

Total Liabilities 5,772

Net Assets

Unrestricted	<u>231,460</u>	
Total Net Assets		<u>231,460</u>

Total Liabilities and Net Assets **\$ 237,232**

See Accountant's Compilation Report and Accompanying Notes to Financial Statements.

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

SUPPORT AND REVENUE

Grants and contracts	\$ 96,179
Membership dues	48,675
Miscellaneous	2,740
Interest	<u>1,062</u>

TOTAL SUPPORT AND REVENUE 148,656

EXPENSES

Depreciation	452
Dues & subscriptions	1,853
Equipment lease	197
Employee benefits	10,429
Insurance	2,685
Meetings	1,488
Miscellaneous	90
Office expense	3,224
Postage	582
Printing	8,815
Professional fees	2,445
Rent	7,800
Repairs	696
Salaries & related expenses	79,019
Telephone & internet service	2,575
Travel & development	<u>5,662</u>

TOTAL EXPENSES 128,012

INCREASE IN NET ASSETS 20,644

NET ASSETS AT BEGINNING OF YEAR 210,816

NET ASSETS AT END OF YEAR **\$ 231,460**

See Accountant's Compilation Report and Accompanying Notes to Financial Statements.

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 20,644
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	452
(Increase) decrease in operating assets:	
Appropriation receivable	17,169
Other assets	650
Increase (decrease) in operating liabilities:	
Accounts payable	(101)
Accrued payroll	580
Other accrued expenses	<u>437</u>
Net cash provided by operating activities	<u>39,831</u>
Net increase in cash and cash equivalents	39,831
Cash and cash equivalents – Beginning of year	<u>178,009</u>
Cash and cash equivalents – End of year	<u>\$ 217,840</u>

See Accountant's Compilation Report and Accompanying Notes to Financial Statements.

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.

Notes to Financial Statements

Year Ended June 30, 2004

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tangipahoa Economic Development Foundation, Inc. (the Organization) is a nonprofit organization, which is governed by a board of directors. The Organization was formed in July 1978 to promote the business interest of the Parish of Tangipahoa, Louisiana. The Organization is funded mainly through membership dues and state appropriations. They also receive funds from local fund raising activities, and donations from businesses and individuals. Consequently, the Organization's ability to earn revenue is affected by state governmental policies.

A. BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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.

B. CONTRIBUTIONS

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted support depending on the existence or nature of any donor restrictions. The Organization received services donated by various individuals. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116.

C. BASIS OF ACCOUNTING

The accompanying financial statements of Tangipahoa Economic Development Foundation, Inc. are being presented on the accrual basis of accounting as follows:

Revenues

Tangipahoa Economic Development Foundation, Inc. receives a substantial portion of its revenues from grants. Revenues from grants are

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.

Notes to Financial Statements (continued)

Year Ended June 30, 2004

reported in the period in which the revenue was earned. All other revenues are recorded when received.

Expenditures

Expenditures are recorded in the period they are incurred.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes demand deposits and interest bearing demand deposits. Cash also includes amounts in the petty cash fund. Cash and cash equivalents are stated at cost, which approximates market, and are insured through the Federal Deposit Insurance Corp. (FDIC).

E. PROPERTY, PLANT, AND EQUIPMENT

Property and equipment are carried at cost. Donations of property and equipment are recorded as support at their estimated fair market value. Property and equipment are depreciated using the straight-line method at rates based on the following estimated useful lives:

Computers	5 years
Vehicle	5 years
Equipment	7 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of an asset, the cost of the asset and the related resulting gain or loss is included in the statement of activities. Depreciation expense for the year ending June 30, 2004 is \$452.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.

Notes to Financial Statements (continued)

Year Ended June 30, 2004

G. INCOME TAXES

Tangipahoa Economic Development Foundation, Inc. is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

H. VACATION AND SICK LEAVE

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 5 days of accrued vacation may be carried over to the following year. Any days over the five-day limit will be forfeited. Any unused accrued annual leave is paid on an employee's termination if at least 10 working days notice is given.

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.

All full time employees will be given 1 day in the area and a maximum of 2 days out of the area of paid funeral leave. This is applicable only for the loss of a member of the immediate family—this includes spouse, children, grandparents, brothers, sisters, and grandchildren as well as in-laws. In-laws are defined as your present spouse's (not prior spouse's) immediate family.

An employee will also receive jury leave at his/her regular rate of pay if he/she notifies his/her immediate supervisor upon receiving a summons for jury duty and provides adequate proof of jury duty.

I. RETIREMENT SYSTEM

Employees of Tangipahoa Economic Development Foundation, Inc. participate in the Social Security System. Tangipahoa Economic Development Foundation, Inc. provides the matching portion of the Social Security contributions. Tangipahoa Economic Development Foundation, Inc. has no liability for any pension benefits.

TANGIPAHOA ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements (continued)
Year Ended June 30, 2004

Effective July 1, 1999, Tangipahoa Economic Development Foundation, Inc. established a SIMPLE IRA Plan whereby the Organization matches employee contributions dollar for dollar up to three percent of each eligible employee's salary. Plan expenses incurred by the Organization during fiscal year 2004 were \$ 2,016.

J. ADVERTISING COSTS

Advertising Costs associated with advertising are expensed in the year incurred. Advertising expenses incurred by the Organization during the fiscal year ending June 30, 2004 is \$0.

2. CASH & CASH EQUIVALENTS

At June 30, 2004, Tangipahoa Economic Development Foundation, Inc. had cash and cash equivalents totaling \$217,457, as follows:

Operating account	\$ 88,845
Petty cash	200
Certificates of deposit	128,412
Total	<u>\$ 217,457</u>

For purposes of the statement of cash flows, the Organization considers the certificates of deposit to be cash equivalents.

3. COMMITMENTS

As of June 30, 2004, Tangipahoa Economic Development Foundation, Inc. had no lease contracts. The Southeastern Louisiana University building that TEDF is renting does not have a written lease but a month-to-month lease of \$650 per month. This rental is for the office space used by the Organization.

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Hammond, LA 70403

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

To the Board of Directors of
Tangipahoa Economic Development Foundation, Inc.
P.O. Box 639
Hammond, Louisiana 70404

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Tangipahoa Economic Development Foundation, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Tangipahoa Economic Development Foundation's compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Tangipahoa Economic Development Foundation, Inc.'s Louisiana State Appropriations for the fiscal year follow:

Grant Name	Type	Grant Year	CFDA No.	Amount
Act 13 of 2002	State	2003-2004	N/A	\$96,179.00
Total Expenditures				\$96,179.00

2. For each state award, I randomly selected six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements in total would be selected.
3. For the items selected in procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

Each of the six payments was properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, I determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from two of the following officers: the President, First Vice President, Treasurer, or the Executive Director—as specified in the bylaws of Tangipahoa Economic Development Foundation, Inc.

6. For the items selected in procedure 2, for state awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed

I reviewed the previously listed disbursements for types of services allowed or not allowed. Each of the six disbursements was in compliance with the grant agreement and met the goals of the program.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. Each of the six disbursements complied with the eligibility requirements.

Reporting

I reviewed the previously listed disbursements for reporting requirements. Each of the six disbursements complied with the reporting requirements.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected did not include any programs that were closed out during the period of my review.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

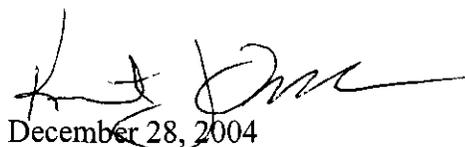
Tangipahoa Economic Development Foundation Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the Tangipahoa Economic Development Foundation Inc.'s office building.

Comprehensive Budget

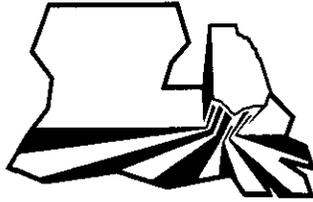
9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Tangipahoa Economic Development Foundation, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



December 28, 2004



Tangipahoa Economic Development Foundation

Phone: 985-543-4141 ■ Fax: 985-543-4152 ■ E-mail: tedf@i-55.com ■ Website: www.tedf.org

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**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)**

12/30/04 (Date Transmitted)

Kenneth J. Frahm, CPA

902 C. M. Fagan Drive, Suite B

Hammond, LA 70403

(Auditors)

In connection with your compilation of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/respresentation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [X] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [X] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [X] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [X] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [X] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [X] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Reggie R. Harper Treasurer Reggie R. Harper Date
Gary W. Sandifer President Gary W. Sandifer Date