

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**FINANCIAL REPORT**

(Reviewed)

December 31, 2011

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 **JUN 13 2012**

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**TABLE OF CONTENTS**

December 31, 2011

	<u>Exhibit</u>	<u>Page</u>
<b>INDEPENDENT ACCOUNTANTS' REVIEW REPORT</b>		1
<b>FINANCIAL STATEMENTS</b>		
Statement of Financial Position	A	2
Statement of Activities	B	3
Statement of Cash Flows	C	4
Notes to Financial Statements	D	5
<b>INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES</b>		8
<b>LOUISIANA ATTESTATION QUESTIONNAIRE</b>		11



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Louisiana Industrial Development Executives Association  
Baton Rouge, Louisiana

We have reviewed the accompanying statement of financial position of the **LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION** (Association) (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Faulk Winkler LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
May 14, 2012

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**STATEMENT OF FINANCIAL POSITION**

December 31, 2011

(See Independent Accountants' Review Report)

	<u>2011</u>
<b>ASSETS</b>	
Cash	\$ 153,413
Investment - certificate of deposit	34,639
Accounts receivable	<u>10,000</u>
 Total assets	 <u>\$ 198,052</u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 3,741
Deferred revenue	<u>13,050</u>
 Total liabilities	 16,791
 <b>NET ASSETS, UNRESTRICTED</b>	 <u>181,261</u>
 Total liability and net assets	 <u>\$ 198,052</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**STATEMENT OF ACTIVITIES**

For the year ended December 31, 2011

(See Independent Accountants' Review Report)

<b>REVENUES</b>	
Grants	\$ 104,210
Registration fees and sponsorships	81,965
Dues	30,600
Certification fees	3,000
Other	<u>236</u>
 Total revenues	 <u>220,011</u>
 <b>EXPENSES</b>	
Program services:	
Member meetings	126,861
Management and general:	
Professional	53,252
Office services	4,180
Telephone and internet	1,368
Other	<u>10,322</u>
 Total expenses	 <u>195,983</u>
 Change in net assets	 24,028
 <b>NET ASSETS</b>	
Beginning of year	<u>157,233</u>
 End of year	 <u>\$ 181,261</u>

The accompanying notes to financial statements  
are an integral part of this statement

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2011

(See Independent Accountants' Review Report)

	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	\$ 24,028
Adjustments for non-cash items:	
Accounts receivable	(10,000)
Accounts payable	3,741
Deferred revenues	(65,730)
Net cash used by operating activities	(47,961)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment in certificate of deposit	(211)
Net decrease in cash	(48,172)
 <b>CASH</b>	
Beginning of year	201,585
End of year	\$ 153,413

The accompanying notes to financial statements  
are an integral part of this statement

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Operations**

The Louisiana Industrial Development Executives Association (the Association) is a non-profit Louisiana corporation chartered in 1964 under the 501(c)(6) provisions of the U.S. Tax Code. The membership in the Association is open to professional and volunteer persons/groups seeking to promote the economic health and vitality of the State of Louisiana. The expressed purpose of the Association and its membership is to create new job opportunities by encouraging companies to locate in Louisiana and to assist resident industries to expand.

The Association provides its members and others with opportunities for dialogue, education, advancement and improvement in all aspects of industrial, economic and community development in Louisiana through meetings, seminars, communications, publications and other programs and activities. The Association seeks to articulate and advocate the needs and interests of the State of Louisiana's industrial, economic and community developers and their constituents before legislative, administrative and judicial branches of local, state and national governments.

The Association's revenues consist primarily of dues from its members, state grants and registration fees for its meetings

**Accounting policy**

The Association's accounts are maintained on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

**Basis of presentation**

The Association reports its financial position and activities according to three classes of net assets. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association does not have any temporarily or permanently restricted net assets at December 31, 2011

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates are used primarily when accounting for deferred revenues.

### **Cash and investments**

Cash held consists of the Association's operating bank account. Certificates of deposit with a maturity of greater than three months are classified as investments.

### **Investment valuation and income recognition**

The Financial Accounting Standards Board Accounting Standards Codification, Fair Value Measurements, (ASC 810), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 810 are described as follows.

**Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access. The Association does not have any level 1 inputs.**

**Level 2 – Inputs including:**

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

**Level 3 – Inputs that are unobservable and significant to the fair value measurement. The Association does not have any level 3 inputs**

Excess funds of the Association are invested in a certificate of deposit to maximize earnings until such time that these monies are needed for organizational expenses. Certificates of deposit (measured with level 2 inputs) are recorded at cost which approximates fair market value

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred revenues**

Deferred revenues represent dues and sponsorships collected in 2011 for services and programs to be provided or held in 2012.

**Income taxes**

The Association is exempt under section 501(c)(6) of the Internal Revenue Code. The Association has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Association files a Form 990 tax return in the U.S. federal jurisdiction.

The Association follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Association has no material uncertain tax positions and, accordingly, has not recognized a liability for any unrecognized tax benefits. The Association's open audit periods are 2008 through 2011.

**Fair value of financial instruments**

The carrying value of cash, receivables, and accounts payable approximates fair value due to the short-term maturity of these instruments. Financial instruments are not held for trading purposes.

**NOTE 2 - INVESTMENT**

At December 31, 2011, the Association held an investment in a certificate of deposit (CD) with a market value of \$34,639. Interest earnings are reinvested into the CD and therefore fair market value equals cost of the investment.

**NOTE 3 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments that subject the Association to concentrations of credit risk consist primarily of certificates of deposit. The Association maintains cash and cash equivalents in a local bank that may, at times, exceed the FDIC limits. Management believes that the risk is limited.

**NOTE 4 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 14, 2012, the date the financial statements were available to be issued.

**LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION**  
Baton Rouge, Louisiana

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

December 31, 2011



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
Louisiana Industrial Development Executives Association  
Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the **Louisiana Industrial Development Executives Association** (Association), the Legislative Auditor, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Association's compliance with the certain laws and regulations for the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Association is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards*, published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we 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

With respect to your representations relating to the federal, state, and local awards compliance, as of December 31, 2011, and for the year then ended, we applied the following agreed-upon procedures:

***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.

The Association was awarded three State of Louisiana, Department of Economic Development grants during 2011, as follows:

<u>Grant description</u>	<u>CFMS #</u>	<u>Amount expended</u>
LED - CEA Training Program	686319	\$ 50,000
LED - CEA 2010 - 2011 Operating Grant	697228	44,210
LED - CEA 2011 - 2012 Operating Grant	709854	10,000

The Association did not receive any federal or local awards during 2011

2. For each federal, state, and local award, we performed the following procedures:

We randomly selected six disbursements from the awards administered during the period under examination, and traced the disbursements to supporting documentation as to proper amounts and payees. All disbursements received approval from proper authorities, and were properly coded to the correct funds and general ledger accounts. Based on our review of disbursements, the state awards complied with the grant agreements, in terms of activities allowed or unallowed, eligibility, and reporting.

3. One state award was completed during 2011 and was accepted by the State.
4. The open meetings law is not applicable to the Association.
5. For all grants exceeding five thousand dollars, the grantor is required to provide the grantee with a comprehensive budget.

The agreements above provided a comprehensive budget that included the purpose and duration, specific goals, objectives, and measures of performance. Based on our review of the grant agreements, the grants comply with the state laws and regulations in terms of budget, purpose, and duration.

6. There were no reported prior year comments and recommendations

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

This report is intended solely for use of the Board of Directors and management of the Louisiana Industrial Development Executives Association, 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 Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountants

Baton Rouge, Louisiana  
May 14, 2012

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

May 14, 2012

Faulk & Winkler, LLC  
6811 Jefferson Hwy  
Baton Rouge, LA 70806

In connection with your review of our financial statements as of December 31, 2011 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 February 25, 2012

**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  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  No

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

Yes  No

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

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42.1 through 42.13 (the open meetings law)

N/A

Yes  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  No

**Prior Year Comments**

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

N/A

Yes  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 that may occur up to the date of your report

Ray Conklin 2011 Treasurer 6-1-2012 Date