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NORTH SHREVEPORT DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
STATEMENT OF ACTIVITIES
STATEMENT OF FUNCTIONAL EXPENSES
STATEMENT OF CASH FLOWS
DECEMBER 31, 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 7-13-05

G E O R G E E . M C G O V E R N I I I

CERTIFIED PUBLIC ACCOUNTANT
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CERTIFIED PUBLIC ACCOUNTANTS

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G E O R G E E . M C G O V E R N I I I

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George E. McGovern III C.P.A.
George A. Burton, Jr. C.P.A.

June 28, 2005

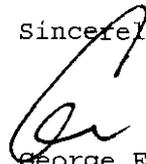
To the Board of Directors
North Shreveport Development Corporation
Shreveport, LA

I have compiled the accompanying statement of financial position of North Shreveport Development Corporation as of December 31, 2004, and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting Review Services issued by the American Institute of Certified Public Accountants as used in the United States of America.

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.

I am not independent with respect to North Shreveport Development Corporation.

Sincerely,



George E. McGovern III
Certified Public Accountant

NORTH SHREVEPORT DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004

See Accountant's Report

Assets	
Current	
Cash & Cash Equivalents	<u>\$ 12,856</u>
Total Current Assets	<u>12,856</u>
Equipment (Net of Accumulated Depreciation of \$4,979)	<u>2,284</u>
Total Assets	<u>\$ 15,140</u>
Liabilities & Net Assets	
Current	
Payroll Liabilities	\$ 929
Accrued Vacation	<u>2,200</u>
Total Current Liabilities	<u>3,129</u>
Net Assets	<u>12,011</u>
Total Liabilities & Net Assets	<u>\$ 15,140</u>

See Notes to Financial Statements

NORTH SHREVEPORT DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

See Accountant's Report

	<u>Unrestricted</u>
Revenues	
Donations	\$ 4,300
Grants	80,000
Dues	1,220
Interest Income	156
Other	<u>612</u>
Total Revenues	<u>86,288</u>
Program Services	<u>123,593</u>
Total Program Services	<u>123,593</u>
Decrease in Net Assets	(37,305)
Net Assets at Beginning of Year	<u>49,316</u>
Net Assets at End of Year	<u><u>\$ 12,011</u></u>

See Notes to Financial Statements

NORTH SHREVEPORT DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2004

See Accountant's Report

	<u>Program Costs</u>
Expenditures	
Salaries	\$ 65,506
Fringe Benefits	9,714
Office Rent	8,612
Office Supplies	4,184
Miscellaneous	7,467
Equipment Rental	2,507
Printing	1,704
Postage	1,433
Telephone	7,733
Advertising	323
Insurance	5,752
Dues/Meetings	621
Accounting	2,412
Depreciation	484
Accounting	3,304
Meals/Meetings	<u>1,837</u>
Total Expenditures	<u>\$ 123,593</u>

See Notes to Financial Statements

NORTH SHREVEPORT DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

See Accountant's Report

Cash Flows From Operating Activities	
(Decrease) Increase in Net Assets	\$(37,305)
Adjustments To Reconcile Change In Net Assets	
To Net Cash (Used) Operating Activities	
Depreciation	484
Accrued Vacation	2,200
Payroll Liabilities	<u>158</u>
Net Cash (Used) By Operating Activities	<u>(34,463)</u>
Cash Flows From Investing Activities	
Purchase Equipment	<u>(2,768)</u>
Net Cash (Used) By Investing Activities	<u>(2,768)</u>
(Decrease) in Cash & Cash Equivalents	(37,231)
Beginning Cash & Cash Equivalents	<u>50,087</u>
Ending Cash & Cash Equivalents	<u>\$ 12,856</u>

Note: No income taxes were paid for the year.

No interest was paid during the year and none was capitalized.

See Notes to Financial Statements

NORTH SHREVEPORT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE A - ACCOUNTING POLICIES

1. The accompanying financial statements have been prepared on the accrual basis, whereby all revenues are recognized when susceptible to accrual and expenditures are recorded when the related fund liability is incurred. North Shreveport Development Corporation (NSD) uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain grants/programs/divisions. A fund is a separate accounting entity with a self-balancing set of accounts. Governmental funds are used to account for all of NSD's activities, and divisions are used to provide for segregation of programs within NSD.
2. North Shreveport Development Corporation (NSD) is a private, not-for-profit, IRS Section 501(c)(3) Corporation. The Corporation operates in North Shreveport, Caddo Parish, Louisiana. It is governed by an elected Board of Directors and provides business, industrial and economic development to both the private sectors and area governments. It was incorporated June 28, 1999.
3. Depreciation - Depreciation is provided on the straight line method over the useful life of the office equipment. Equipment is recorded at cost, and includes all items with cost exceeding \$500 and a useful life greater than one year.
4. Cash & Cash Equivalents - The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.
5. Budgets - Budgets are not required for all divisions.
6. Investments - Investments are presented in the financial statements at fair market value.
7. Temporarily Restricted Assets - None exist in NSD.
8. Capitalized Interest - The Company did not capitalize interest in the year ended December 31, 2004.
9. Advertising - The Company expenses non-direct response advertising as incurred.

NORTH SHREVEPORT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE A - ACCOUNTING POLICIES (continued)

10. Impairment - The carrying value of property, equipment and intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future cash flows is less than book value. For the year presented, no adjustment was necessary.

NOTE B - RETIREMENT PLAN

The Company has a Simplified Employee Plan with the following provisions to participate:

1. Employee must be 18 years of age.
2. Annual earnings must be \$7,450.

NOTE C - VACATION

The Company allows personnel to accrue vacation time not to exceed thirty days. The Company reimburses its employees separately for unused vacation time.

NOTE D - GRANTS

The Company was awarded Contract #252-05056 CFMS #61817 from the LED for a maximum amount of \$100,000. The contract period is July 1, 2004 - June 30, 2005. The contract is specifically designed to encourage economic development in North Shreveport, Louisiana. During the year, the Company received \$26,000 in this cost reimbursement program. A prior year grant awarded \$54,000 in the current year.

NOTE E - OPERATING LEASES

The Company leases facilities owned by a third party. The facility is located in North Shreveport and the rent is \$400/month. The lease allows for renewals.

NOTE F - RETIREMENT PLAN - DEFINED CONTRIBUTION

The Company contributed \$3,746 during the year.

NOTE G - UNRESTRICTED ASSETS

All funds are unrestricted.

NORTH SHREVEPORT DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE H - EQUIPMENT

During the year ended December 31, 2004, the following occurred:

	<u>Life</u>	<u>Method</u>	1/01/04 <u>Balance</u>	<u>Additions</u>	12/31/04 <u>Balance</u>
Furniture & Equip.	5-7yrs.	S/L	\$ 4,495	\$ 2,768	\$ 7,263
Accumulated Depr.			<u>(4,495)</u>	<u>(484)</u>	<u>(4,979)</u>
Net			<u>\$ 0</u>	<u>\$ 2,284</u>	<u>\$ 2,284</u>

All repairs during the year were expensed.

NOTE I - 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.

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments approximates the carrying (book) value because of the short maturity of these assets.

NOTE K - OPERATIONS/CREDIT RISK

The Company is dependent upon the continuance of the government grant funding to support the economic development.

NOTE L - BOARD OF DIRECTORS

All services are on a voluntary basis.