

# Central Louisiana Economic Development Alliance, Inc.

Alexandria, Louisiana

December 31, 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 7/20/11

**Central Louisiana Economic Development Alliance, Inc.**

**December 31, 2010**

**Table of Contents**

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report .....		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 .....		5-7
Other Reports Required by <i>Government Auditing Standards</i> and <i>Louisiana Governmental Audit Guide</i> .....		8
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....		9-10
Schedule of Findings and Responses .....		11



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Auditor's Report**

Board of Directors  
Central Louisiana Economic Development Alliance, Inc.

We have audited the accompanying statement of financial position of Central Louisiana Economic Development Alliance, Inc. (CLEDA) (a nonprofit corporation), Alexandria, Louisiana, as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of CLEDA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the 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 Central Louisiana Economic Development Alliance, Inc., as of December 31, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2011, on our consideration of CLEDA'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.

*Payne, Moore & Herrington, LLP*

Certified Public Accountants

May 3, 2011

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**Central Louisiana Economic Development Alliance, Inc.**  
**Statement of Financial Position**  
**December 31, 2010**

**Exhibit A**

<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents		\$ 40,162
Accounts receivable		<u>15,750</u>
<b>Total Assets</b>		<u><u>\$ 55,912</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Due to affiliated organization		\$ 55,912
<b>Net Assets</b>		
Unrestricted		<u>-</u>
<b>Total Liabilities and Net Assets</b>		<u><u>\$ 55,912</u></u>

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

**Central Louisiana Economic Development Alliance, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2010**

**Exhibit B**

	<b>Unrestricted</b>
<b>Revenues and Other Support</b>	
State economic development grants	\$ 131,533
Contributions	24,225
Interest income	87
Miscellaneous revenues	1,260
<b>Total Revenues and Other Support</b>	<b>157,105</b>
 <b>Expenses</b>	
Economic development activities	
Contracted services	10,000
Advertising	39,157
Other marketing expenses	46,437
Office and administration	77,361
General and administrative	
Professional fees	15,000
<b>Total Expenses</b>	<b>187,955</b>
 <b>Change in Net Assets</b>	<b>(30,850)</b>
 <b>Net Assets, Beginning of Year</b>	<b>30,850</b>
 <b>Net Assets, End of Year</b>	<b>\$ -</b>

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

**Central Louisiana Economic Development Alliance, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2010**

**Exhibit C**

<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ (30,850)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets and liabilities	
Accounts receivable	3,406
Due to affiliated organization	6,877
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(20,567)</u>
<b>Cash Flows from Investing Activities</b>	-
<b>Cash Flows from Financing Activities</b>	<u>-</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(20,567)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>60,729</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 40,162</u></u>
<b>Additional Required Disclosures (See Note 3)</b>	

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

**Central Louisiana Economic Development Alliance, Inc.**  
**December 31, 2010**

**Notes to Financial Statements**

**1. Nature of Activities and Significant Accounting Policies**

Nature of Activities

The Central Louisiana Economic Development Alliance, Inc. (CLEDA), formerly The Central Louisiana Foundation, was incorporated in 1974 as a nonprofit corporation, on a non-stock basis, under the provisions of Louisiana Revised Statutes. In January 2005, the name was officially changed to the Central Louisiana Economic Development Alliance, Inc. CLEDA promotes economic growth and employment opportunities in the Central Louisiana area. CLEDA receives funding from state economic development grants and contributions from area businesses to conduct its activities.

Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

CLEDA utilizes the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as applied to nonprofit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing these accounting and financial reporting principles. In accordance with these principles, CLEDA 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. At year-end, CLEDA did not have any temporary or permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as highly liquid investments with maturity dates of three months or less when acquired. At year-end cash and cash equivalents consisted of amounts in demand deposits. There were no highly liquid investments held at year-end.

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Central Louisiana Economic Development Alliance, Inc.**  
**December 31, 2010**

**Notes to Financial Statements**

**Bad Debts**

Amounts due are recognized as bad debts as they are considered uncollectible. In the opinion of management, all receivables were collectible and an allowance for doubtful accounts was not considered necessary.

**Advertising**

Advertising costs are expensed the first time the advertising takes place.

**Income Taxes**

CLEDA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under applicable Louisiana Revised Statutes. CLEDA is not a private foundation.

**Estimates**

The preparation of financial statements in conformity 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 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.

**Subsequent Events**

Management has evaluated subsequent events through May 3, 2011, the date which the financial statements were available for issue.

**2. Accounts Receivable**

Accounts receivable at year-end consists of amounts due from the State of Louisiana, Office of Economic Development for economic development grants.

**3. Additional Required Disclosures Relating to the Statement of Cash Flows**

No interest or income taxes were paid in 2010. There were no material noncash financing or investing transactions during the year that affected recognized assets or liabilities.

**Central Louisiana Economic Development Alliance, Inc.**  
**December 31, 2010**

**Notes to Financial Statements**

**4. Related Party Transactions**

CLEDA is affiliated with the Central Louisiana Chamber of Commerce, Inc. In 2009 and 2010, cooperative endeavor agreements were entered into between the Louisiana Department of Economic Development and the Central Louisiana Chamber of Commerce on behalf of Central Louisiana Economic Development Alliance, Inc. to conduct economic development activities for the Central Louisiana area. Under the terms of these agreements, for the year ended December 31, 2010, CLEDA reimbursed the Chamber for personnel costs and related benefits in the amount of \$66,989 (included in office and administration in Exhibit B) related to the administration of this grant. At year-end, CLEDA owed the Chamber \$55,912 that was settled from grant proceeds received subsequent to year end and other sources.

**5. Concentration of Funding**

CLEDA receives a significant part of its funding from Louisiana Department of Economic Development grants.

**6. Contingencies**

CLEDA receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowances, if any, would be insignificant.

**7. Subsequent Event**

Effective as of the start of business on May 1, 2011, CLEDA will be merged with and into Cenla Advantage Partnership (CAP). CAP will be the surviving corporation, and will continue to exist as a domestic non-profit corporation under the laws of Louisiana. CLEDA as a constituent corporation will cease to exist and its property will become the property of CAP as the surviving corporation. The purpose of the merger is to develop enhanced economic development for the central Louisiana area.

**Other Reports Required by  
Government Auditing Standards  
and Louisiana Governmental Audit Guide**



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CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards**

Board of Directors  
Central Louisiana Economic Development Alliance, Inc.

We have audited the financial statements of Central Louisiana Economic Development Alliance, Inc. (CLEDA) (a nonprofit corporation) as of and for the year ended December 31, 2010, and have issued our report thereon dated May 3, 2011. 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 CLEDA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CLEDA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CLEDA's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the CLEDA's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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PAYNE, MOORE & HERRINGTON, LLP

Board of Directors  
Central Louisiana Economic Development Alliance, Inc

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CLEDA'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management of Central Louisiana Economic Development Alliance, Inc., the Legislative Auditor's office of the State of Louisiana, and the Louisiana Department of Economic Development. This report is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

*Payne, Moore & Herrington, LLP*

Certified Public Accountants

May 3, 2011

**Central Louisiana Economic Development Alliance, Inc.  
Schedule of Findings and Responses  
Year Ended December 31, 2010**

**Part I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weaknesses?

\_\_\_ Yes  X  None reported

Noncompliance material to the financial statements noted?

\_\_\_ Yes  X  No

*Federal Awards*

Not Applicable

*Management's Summary Schedule of Prior Audit Findings*

Not Applicable

*Management's Corrective Action Plan*

Not Applicable

*Other Comments and Recommendations*

Not Applicable

**Part II - Findings Related to the Financial Statements**

None

**Part III - Findings and Questioned Costs for Federal Awards**

Not applicable