

**GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

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# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

June 15, 2006

### Independent Auditors' Report

To the Board of Commissioners  
Greater Alexandria Economic Development Authority

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the Greater Alexandria Economic Development Authority, as of and for the year ended December 31, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Greater Alexandria Economic Development Authority's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Greater Alexandria Economic Development Authority, as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

**-Members-**

**American Institute of Certified Public Accountants • Society of Louisiana CPAs**

**Greater Alexandria Economic Development Authority**

**June 15, 2006**

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In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2006, on our consideration of the Greater Alexandria Economic Development Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2005**

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This section of the annual financial report presents our discussion and analysis of the Greater Alexandria Economic Development Authority's financial performance during the fiscal year ended December 31, 2005.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Greater Alexandria Economic Development Authority's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the Greater Alexandria Economic Development Authority as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Greater Alexandria Economic Development Authority's assets and all of its liabilities. All of the Authority's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by hotel occupancy taxes.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Greater Alexandria Economic Development Authority's most significant activities and are not intended to provide information for the Authority as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Greater Alexandria Economic Development Authority's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the Greater Alexandria Economic Development Authority's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### **FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE**

An analysis of the government-wide Statement of Net Assets is presented as follows:

# **Greater Alexandria Economic Development Authority**

## **Management's Discussion And Analysis**

**December 31, 2005**

	December 31,	
	2005	2004
<b><u>Assets:</u></b>		
Current Assets	\$ 625,397	\$ 369,310
Capital Assets	28,361	405
Total Assets	<u>653,758</u>	<u>369,715</u>
<b><u>Liabilities:</u></b>		
Current Liabilities	3,513	4,334
Long-term Liabilities	----	----
Total Liabilities	<u>3,513</u>	<u>4,334</u>
<b><u>Net Assets:</u></b>		
Invested in Capital Assets	28,361	405
Unrestricted	621,884	364,976
Total Net Assets	<u>\$ 650,245</u>	<u>\$ 365,381</u>

As the presentation appearing above demonstrates, a substantial portion of the Greater Alexandria Economic Development Authority's net assets (95.6%) are unrestricted and may be used to meet the Greater Alexandria Economic Development Authority's ongoing obligations. In addition, a portion of the net assets (4.4%) are invested in capital assets.

An analysis of the government-wide Statement of Activities is presented as follows:

	For the Year Ended December 31,	
	2005	2004
<b><u>Revenues:</u></b>		
Program Revenue:		
Operating Grants and Contributions	\$ ----	\$ 100,000
General Revenue:		
Hotel Occupancy Taxes	617,350	311,468
Investment Income	13,437	2,439
Total Revenue	<u>630,787</u>	<u>413,907</u>
<b><u>Program Expenses:</u></b>		
Economic Development	<u>345,923</u>	<u>48,526</u>
Change in Net Assets	284,864	365,381
Net Assets Beginning	365,381	----
Net Assets Ending	<u>\$ 650,245</u>	<u>\$ 365,381</u>

As the accompanying presentation demonstrates, the Authority has experienced favorable financial trends. Net assets have increased by \$284,864 representing an improvement of 78.0% over the net asset balance for the previous year. The substantial increase is primarily due to conservative budgeting intended to establish an operating reserve.

# **Greater Alexandria Economic Development Authority**

## ***Management's Discussion And Analysis***

***December 31, 2005***

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### **FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS**

For the year ended December 31, 2005, governmental fund balances increased by \$256,908. Differences between the increase in fund balances and the increase in government-wide net assets are attributable to excluding capital assets from the fund financial statements.

### **BUDGET HIGHLIGHTS**

For the year ended December 31, 2005, revenue exceeded budgeted amounts by \$153,787. Expenditures were over budget by \$8,009. The budget was amended in the current year due to the additional expenses not initially anticipated since this was the first full year of operation.

### **CAPITAL ASSET ADMINISTRATION**

Capital asset acquisitions were limited primarily to remodeling office space and acquiring office equipment needed to establish operations.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, no known issues are expected to have a significant impact on future operations.

# **Greater Alexandria Economic Development Authority**

## **Statement of Net Assets**

**December 31, 2005**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 522,169
Receivables (net)	101,278
Other Assets	1,950
Depreciable Capital Assets	<u>28,361</u>
<b>Total Assets</b>	<u>653,758</u>
<b><u>LIABILITIES</u></b>	
Accounts Payable	996
Other Current Liabilities	<u>2,517</u>
<b>Total Liabilities</b>	<u>3,513</u>
<b><u>NET ASSETS</u></b>	
Investment in Capital Assets	28,361
Unrestricted	<u>621,884</u>
<b>Total Net Assets (deficit)</b>	<u>\$ 650,245</u>

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



# **Greater Alexandria Economic Development Authority**

## **Statement of Activities**

**For the Year Ended December 31, 2005**

	<u>Governmental Activities</u>
Expenses:	
Economic Development	
Payroll	\$ 134,129
Employee Benefits and Payroll Taxes	28,210
Advertising and Marketing	69,734
Insurance	1,439
Legal and Professional	50,170
Materials and Supplies	28,311
Rent and Lease Expense	20,400
Utilities and Telephone	4,671
Depreciation	7,102
Other Expenses	<u>1,757</u>
Total Expenses	<u>345,923</u>
Program Revenues:	
Charges for Services	-
Operating Grants and Contributions	-
Capital Grants and Contributions	<u>-</u>
Net Expenses	<u>345,923</u>
General Revenues:	
Hotel Occupancy Taxes	617,350
Investment Income	<u>13,437</u>
Total General Revenues	<u>630,787</u>
Change in Net Assets	284,864
Net Assets - Beginning	<u>365,381</u>
Net Assets - Ending	<u>\$ 650,245</u>

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

**Greater Alexandria Economic Development Authority**

**Balance Sheet - Governmental Funds**

**December 31, 2005**

	<u>General Fund</u>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 522,169
Receivables (net)	101,278
Other Assets	<u>1,950</u>
<b>Total assets</b>	<b><u>\$ 625,397</u></b>
<b><u>Liabilities and Fund Balance</u></b>	
<b><u>Liabilities</u></b>	
Accounts Payable	996
Other	<u>2,517</u>
<b>Total liabilities</b>	<b><u>3,513</u></b>
<b><u>Fund Balance</u></b>	
Unreserved / Undesignated	<u>621,884</u>
<b>Total Fund Balances</b>	<b><u>621,884</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 625,397</u></b>

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

**Greater Alexandria Economic Development Authority**

**Reconciliation of Fund Balances on the Balance Sheet for  
Governmental Funds to Net Assets of Governmental  
Activities on the Statement of Net Assets**

**Year Ended December 31, 2005**

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Total Fund Balances - Governmental Funds \$ 621,884

Amounts reported for governmental activities in the statement of net assets are  
different because:

Capital assets used in governmental activities are not financial resources and  
therefore the following amounts are not reported in the funds.

Depreciable Capital Assets 28,361

Net Assets of Governmental Activities \$ 650,245

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

# **Greater Alexandria Economic Development Authority**

## **Statement of Revenue, Expenditures and Changes in**

### **Fund Balance - Governmental Funds**

**For the Year Ended December 31, 2005**

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	General Fund
<b><u>Revenues:</u></b>	
Hotel Occupancy Taxes	\$ 617,350
Investment Income	13,437
<b>Total revenues</b>	<b>630,787</b>
<b><u>Expenditures:</u></b>	
Economic Development	
Payroll	134,129
Employee Benefits and Payroll Taxes	28,210
Advertising and Marketing	69,734
Insurance	1,439
Legal and Professional	50,170
Materials and Supplies	28,311
Rent and Lease Expense	20,400
Utilities and Telephone	4,671
Other Expenses	1,757
Capital Expenditures	35,058
<b>Total expenditures</b>	<b>373,879</b>
<b>Net Change in Fund Balances</b>	<b>256,908</b>
<b>Fund balance - Beginning of Year</b>	<b>364,976</b>
<b>Fund balance - End of Year</b>	<b>\$ 621,884</b>

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

**Greater Alexandria Economic Development Authority**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance of Governmental Funds to the  
Statement of Activities**

**Year Ended December 31, 2005**

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Net change in fund balances of Governmental Funds	\$ 256,908
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation in the current period exceeded capital outlays.	<u>27,956</u>
Change in net assets of governmental activities	\$ <u>284,864</u>

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

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2005**

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

The Greater Alexandria Economic Development Authority has been established under Louisiana Law to engage in cooperative economic development activities with the City of Alexandria. The Authority's activities are supported by a special tax levied on hotel occupancy. The Authority is governed by the Board of Commissioners, which is appointed by the City of Alexandria.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

The Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the reporting entity to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Greater Alexandria Economic Development Authority is a component unit of the City of Alexandria. The accompanying component unit financial statements present information only on the funds maintained by the Authority and do not present information on the City, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Greater Alexandria Economic Development Authority's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2005**

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The government-wide and fund financial statements present the Greater Alexandria Economic Development Authority's financial position and results of operations from differing perspectives which are described as follows:

### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Authority as a whole. The effect of any interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, contributions to specific programs, and most grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. At the present time, the Authority's only fund is the general fund, which is the primary operating fund and it is used to account for all resources.

### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is generally considered available if it is collected within 60 days of year end or may otherwise be available to finance current expenditures. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure.

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2005**

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### **Use of Estimates**

The preparation of financial statement 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.

### **Budget Practices**

The Board of Commissioners adopts annual budgets in the manner prescribed by State Law. These budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles.

### **Capital Assets**

Capital assets include facility improvements and equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciated is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives are 5 years.

### **Cash**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

### **Accrued Leave**

The Authority has not adopted an accrued leave policy. Accordingly, there is no liability for leave benefits carried forward to future years.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

Deposits in financial institutions totaled \$531,673 (collected book balance). These deposits are secured from risk by \$100,000 in Federal Deposit Insurance and pledged securities with a market value of \$579,979. The pledged securities are held by a custodial bank in the name of the pledging institution (fiscal agent). However, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

### **NOTE 3 - RECEIVABLES**

Receivables consist of \$100,078 of Hotel Occupancy Taxes collected by the Rapides Parish Tax Collector on behalf of the authority and \$1,200 receivable for an overpayment to Christus Cabrini for a fundraising event.



# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2005**

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### **NOTE 4 – CAPITAL ASSETS**

A summary of the Greater Alexandria Economic Development Authority's capital assets is provided as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Leasehold Improvements	\$ ----	\$ 27,850	\$ ----	\$ 27,850
Equipment	450	7,208	----	7,658
Less Accumulated Depreciation	(45)	(7,102)	----	(7,147)
Total Net of Depreciation	<u>\$ 405</u>	<u>\$ 27,956</u>	<u>\$ ----</u>	<u>\$ 28,361</u>

### **NOTE 5 – PAYABLES**

Accounts payable at year end are summarized as follows:

Accounts Payable to Vendors	\$ 996
Payroll Withholding	<u>2,517</u>
Total Payables	<u>\$ 3,513</u>

### **NOTE 6 – LEASES**

The Authority has acquired certain facilities necessary for operations by executing an operating lease. Under the term of the lease, a rental payment of \$1,700 is due on a monthly basis. The term of the lease is for a period of two years ending December 31, 2006. Accordingly, the obligation for future minimum rental payments is \$20,400.

### **NOTE 7 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

### **NOTE 8 – RETIREMENT PLAN**

The Authority offers a defined contribution retirement plan to its employees. Under the terms of the plan, employees are allowed to contribute a portion of their compensation to the plan and the Authority provides certain matching contributions. For the year ended December 31, 2005, the Authority expended \$3,600 in connection with providing deferred compensation benefits.

# **Greater Alexandria Economic Development Authority**

## ***Notes To Financial Statements***

***December 31, 2005***

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### **NOTE 9 – COMMITMENTS**

On March 24, 2005, GAEDA entered into a Cooperative Endeavor with The Tipitina's Foundation to contribute \$40,000 towards the physical plant and operating budget, upon satisfactory establishment and commencement of operations of the Tipitina's Music Co-Op, and approval of Executive Director. As of December 31, 2005 no money was disbursed to Tipitina's.

### **NOTE 10 – SUBSEQUENT EVENTS**

January 13, 2006 GAEDA entered into a Cooperative Endeavor Agreement with the City of Alexandria for \$100,000 towards the cost of the city "Master Plan", with an additional \$42,500 pledged upon the successful presentation of the Master Plan to the GAEDA board for final approval.

# **Greater Alexandria Economic Development Authority**

## **Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual For the Year Ended December 31, 2005**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Occupancy Taxes	\$ 472,000	\$ 472,000	\$ 617,350	\$ 145,350
Investment Income	5,000	5,000	13,437	8,437
<b>Total revenues</b>	<b>477,000</b>	<b>477,000</b>	<b>630,787</b>	<b>153,787</b>
<b>Expenditures:</b>				
Economic Development				
Payroll	155,000	129,800	134,129	(4,329)
Employee Benefits and Payroll Taxes	7,500	31,250	28,210	3,040
Advertising and Marketing	16,000	65,000	69,734	(4,734)
Insurance	1,600	7,500	1,439	6,061
Legal and Professional	28,040	36,440	50,170	(13,730)
Materials and Supplies	2,000	5,000	28,311	(23,311)
Rent and Lease Expense	21,000	20,400	20,400	-
Utilities and Telephone	1,200	3,780	4,671	(891)
Other Expenses	500	2,000	1,757	243
Capital Expenditures	-	64,700	35,058	29,642
<b>Total expenditures</b>	<b>232,840</b>	<b>365,870</b>	<b>373,879</b>	<b>(8,009)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>244,160</b>	<b>111,130</b>	<b>256,908</b>	<b>145,778</b>
<b>Fund balance - beginning of year</b>	<b>364,976</b>	<b>364,976</b>	<b>364,976</b>	<b>364,976</b>
<b>Fund balance - end of year</b>	<b>\$ 609,136</b>	<b>\$ 476,106</b>	<b>\$ 621,884</b>	<b>\$ 510,754</b>

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

June 15, 2006

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Greater Alexandria Economic Development Authority

We have audited the financial statements of the Greater Alexandria Economic Development Authority, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 15, 2006. 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.

### Compliance

As part of obtaining reasonable assurance about whether the Greater Alexandria Economic Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Greater Alexandria Economic Development Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of

*Greater Alexandria Economic Development Authority*

*June 15, 2006*

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performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**Greater Alexandria Economic Development Authority**

**Schedule Of Findings And Questioned Cost  
For The Year Ended December 31, 2005**

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**PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the basic financial statements of the Greater Alexandria Economic Development Authority as of December 31, 2005 and for the year then ended expressed an unqualified opinion.
- The audit did not disclose any audit findings which are required to be reported as reportable conditions or material weaknesses.
- The results of the audit disclosed any instances of noncompliance that is presented in Part II of the Schedule of Findings and Questioned Cost.

**PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH  
ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY  
ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

- None

**Greater Alexandria Economic Development Authority**

**Management's Corrective Action Plan  
For The Year Ended December 31, 2005**

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<b>SECTION I</b> <b>Internal Control And Compliance Material To The Financial Statements.</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION II</b> <b>Internal Control And Compliance Material To Federal Awards</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION III</b> <b>Management Letter</b>	
No management letter was issued with this report.	Response – N/A

**Greater Alexandria Economic Development Authority**

**Schedule Of Prior Year Findings And Questioned Cost  
For The Year Ended December 31, 2005**

<b>SECTION I Review Report</b>	
N/A – No findings of this nature were reported.	Response – N/A
<b>SECTION II Attestation Report</b>	
<b><u>FINDING 2004-1</u></b> The budget was not adopted before the year began. The 2004 budget was adopted on September 21, 2004.	<b><u>RESPONSE</u></b> Management has corrected this in the current year. The 2005 budget was adopted December 21, 2004.
<b>SECTION III Management Letter</b>	
No management letter was issued with the previous audit.	Response – N/A