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June 28, 2005

To the Board of Commissioners
Greater Alexandria Economic Development Authority
Alexandria, LA 71301

In performing procedures for the Greater Alexandria Economic Development Authority for the year ended December 31, 2004, we became aware of a certain matter that needs to be brought to management's attention. This matter is described as follows:

Budget Adoption

The Greater Alexandria Economic Development Authority's budget was not adopted before the year began. The 2004 budget was adopted on September 21, 2004.

We suggest that the Greater Alexandria Economic Development Authority adopt the budget before the start of the new year.

We will be available at your convenience to discuss our comments in greater detail. Our firm will also be available to assist in discussing this recommendation.

ROZIER, HARRINGTON, & McKAY
Certified Public Accountants

Mark S. McKay, CPA
Partner

-Members-

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

**GREATER ALEXANDRIA ECONOMIC
DEVELOPMENT AUTHORITY**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004

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June 22, 2005

Independent Accountants' Report

The Board of Commissioners
Greater Alexandria Economic
Development Authority
Alexandria, Louisiana 71301


We have reviewed the accompanying basic financial statements of the Greater Alexandria Economic Development Authority (Authority), as of and for the year ended December 31, 2004, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Authority.

A review consists principally of inquiries of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an opinion.

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

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order to conform with generally accepted accounting principles. 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, without audit or review. Accordingly, we do not express any opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 22, 2005, on the results of our agreed-upon procedures.


ROZIER, HARRINGTON, & McKAY
Certified Public Accountants

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2004

This section of the Greater Alexandria Economic Development Authority's (Authority) financial report presents our discussion and analysis of the Authority's financial performance during the year ended December 31, 2004. Please read it in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Assets of the Authority exceeded its liabilities at December 31, 2004 by \$365,381 (net assets). This total amount is unrestricted and may be used to meet the Authority's ongoing obligations. As of December 31, 2004, the Authority had only one fund, which is a governmental fund.

Intergovernmental revenues of the Authority increased by \$100,000 due to a grant received from the City of Alexandria for the purpose of providing for the renovation, restoration, and development of property in the city of Alexandria. Hotel occupancy tax revenue increased by \$311,468, due to the Authority's first year of operations and initially receiving the 3% tax. Interest revenues increased by \$2,439. Total revenues increased by \$413,907.

The Authority's total expenditures increased by \$48,526, all were for the initial setup of the Authority and its general operations. The Authority did not have any program expenditures for 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has been greatly changed. The new statements focus on the Authority as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the Authority's accountability. Since this is the first year of existence for the Authority a comparative analysis of government-wide data could not be presented. However, this analysis will be presented in future years.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. For governmental activities, fund financial statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting the Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most

**GREATER ALEXANDRIA ECONOMIC
DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2004**

not-for-profit organizations and private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net assets and changes in them. You can think of the Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Authority's local, state, and federal programs, to assess the overall health of the Authority.

Reporting the Authority as a Governmental Fund

All the Authority's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Authority's general operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. We describe the relationship (or differences) between activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations which are reflected on separate statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Assets at December 31, 2004. Prior year data is not presented in the implementation year but will be included in future years for comparison purposes:

Condensed Statement of Net Assets

Current and other assets	\$ 369,310
Depreciable capital assets, net	<u>405</u>
Total Assets	<u>369,715</u>
Other liabilities	<u>4,334</u>
Total liabilities	<u>4,334</u>
Net assets:	
Unrestricted	364,976
Invested in capital assets	<u>405</u>
Total net assets	<u>\$ 365,381</u>
Total Liabilities and Net Assets	<u>\$ 369,715</u>

**GREATER ALEXANDRIA ECONOMIC
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December 31, 2004**

For more detailed information see the Statement of Net Assets.

100% of the Authority's net assets as of December 31, 2004, are unrestricted and may be used to meet the ongoing obligations of the Authority.

The following table provides a summary of the changes in net assets for the year ended December 31, 2004:

Condensed Statement of Changes in Net Assets

Revenues:	
General Revenues:	
Grants and contributions not restricted	
To specific programs	\$ 411,468
Unrestricted investment earnings	<u>2,439</u>
Total Revenues	413,907
 Expenses	
Operating	<u>48,526</u>
Change in net assets	365,381
Beginning net assets	<u>-</u>
Ending net assets	<u>\$ 365,381</u>

The Authority's net assets increased by \$365,381 during the current year, primarily due to the excess revenue over expenditures described above in the financial highlights for the Authorities first year of operations.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

Revenues for the Authority's activities for the year ended December 31, 2004 were \$ 413,907. There are three funding categories: intergovernmental (24.16%), Hotel occupancy (75.25%), and interest earned (0.59%).

The cost of all the Authority's activities was \$48,526 for the year ended December 31, 2004. All expenditures were related to the initial set up of the Authority and its general operations.

BUDGETARY HIGHLIGHTS

Budgets are presented to the Board of Commissioners and adopted as required by Louisiana Revised Statutes. As needed budget adjustments are made to account for any significant deviation from beginning year projections. The major differences between the final amended budget and the original budget were a decrease salaries benefits since hiring of the executive

**GREATER ALEXANDRIA ECONOMIC
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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2004**

director did not take place until December. The major differences between the final amended budget and actual budget results were a decrease in hotel occupancy tax revenues and an increase in professional fees and travel.

CAPITAL ASSET ADMINISTRATION

The Authority's investment in capital assets as of December 31, 2004, amounts to only \$500. \$15,114 was budgeted for capital expenditures, but the money was never spent due to office space not being acquired in 2004 and administrative personnel not being hired until late December.

The Authority's fiscal year 2005 budget calls for it to spend \$64,700 on leasehold improvements and office furniture. The Authority has no plans to issue debt to finance these projects. Rather, the Authority will use available resources. More detailed information about the Authority's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Board of Commissioners of the Authority and management considered many factors when setting the fiscal year 2005 budget. These factors include any unusual conditions, one-time expenditures and increases in rates or fees that occurred during the 2004 fiscal year or that have already been announced for the 2005 fiscal year.

Revenues for fiscal year 2005 are projected to be \$467,560, approximately \$100,000 more than 2004 fiscal year revenues. The most significant changes in revenue resulted from a full year of receiving the hotel occupancy tax. Budgeted expenditures are expected to increase to \$356,430, approximately \$307,904 more than 2004 fiscal year expenditures. Capital expenditures are expected to increase due to the completion of the leasehold improvements. Salaries are expected to increase due to the hiring of the new executive director and assistant. Office lease will also be an added expenditure for 2005. The remaining difference is due to a full year of operations.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. If you have any questions about this report or need additional financial information, contact Greater Alexandria Economic Development Board, 201 Johnston Street, Suite 601, Alexandria, Louisiana 71309.

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

Statement of Net Assets

December 31, 2004

	<u>Govern- mental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 307,685
Accounts Receivable	61,375
Depreciable Capital Assets	405
Deposits	<u>250</u>
Total Assets	<u>\$ 369,715</u>
<u>LIABILITIES</u>	
Liabilities	
Accounts Payable	<u>4,334</u>
Total liabilities	<u>4,334</u>
<u>NET ASSETS</u>	
Fund Balance	
Unrestricted	364,976
Invested in Capital Assets	<u>405</u>
Total net assets (deficit)	<u>\$ 365,381</u>

See accompanying notes and accountants' report

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

Statement of Activities

December 31, 2004

	<u>Governmental Activities</u>
<u>Expenses:</u>	
Economic Development:	
Training and Conferences	17,061
Depreciation	45
Executive Director Search	6,046
Legal and Professional	21,898
Office Supplies	376
Telephone	317
Travel	2,783
	48,526
Total Expenses	48,526
 <u>Program Revenues:</u>	
Charges for Services	-
Operating Grants and Contributions	100,000
Capital Grants and Contributions	-
	100,000
Total Program Revenues	100,000
 Net (Expenses) / Income - Governmental Activities	 51,474
 <u>General Revenues:</u>	
Occupancy Tax Income	311,468
Interest Income	2,439
	313,907
Total General Revenues	313,907
 Change in Net Assets	 365,381
Net Assets - Beginning	-
Net Assets - Ending	\$ 365,381

See accompanying notes and accountants' report

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

Balance Sheet - Governmental Funds December 31, 2004

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 307,685
Accounts Receivable	61,375
Deposits	<u>250</u>
Total Assets	<u>\$ 369,310</u>
 <u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	<u>4,334</u>
Total liabilities	<u>4,334</u>
 Fund Balance	
Unreserved	<u>364,976</u>
Total Liabilities and Fund Balance	<u>\$ 369,310</u>

Fund Balance	\$ 364,976
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 are not reported in the funds.	<u>405</u>
Net Assets of Governmental Activities	<u>\$ 365,381</u>

See accompanying notes and accountants' report

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

Statement of Revenue, Expenditures, and Changes in Fund Balance Governmental Funds

December 31, 2004

	<u>General Fund</u>
<u>Revenues:</u>	
City of Alexandria - Grant	\$ 100,000
Occupancy Tax Income, net	311,468
Interest Income	2,439
Total revenues	<u>413,907</u>
<u>Expenditures:</u>	
Current - Economic Development:	
Training and Conferences	17,061
Executive Director Search	6,046
Legal and Professional	21,898
Office Supplies	376
Telephone	317
Travel	2,783
Capital Outlay	450
Total expenditures	<u>48,931</u>
Change in Fund Balance	364,976
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u>\$ 364,976</u>

Net change in fund balances of Governmental Funds	\$ 364,976
<p>Amounts reported for governmental activities in the statement 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 capital outlays exceed depreciation in the current period.</p>	
	<u>405</u>
Change in net assets of governmental activities	<u>\$ 365,381</u>

See accompanying notes and accountants' report

**GREATER ALEXANDRIA ECONOMIC
DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2004**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Greater Alexandria Economic Development Authority (Authority) is governed by a Board consisting of seven members 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 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 authority's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

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

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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 and any 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. The Authority's major funds are described as follows:

- General Fund – This fund is the primary operating fund of the authority and 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:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
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 considered available if it is collected within 60 days of year-end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, any 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, 2004

Use of 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.

Budget Practices

Budgets and any necessary amendments are adopted in the manner prescribed by LA law. Budgets present revenue and expenditures on a basis, which is consistent with generally accepted accounting principles.

Capital Assets

Capital assets include significant acquisitions of 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. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of five years is typically used.

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.

NOTE 2 - CASH

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2004, the authority has \$308,673 in deposits (bank balance). These deposits are secured by \$100,000 in FDIC insurance coverage and pledged securities with a market value of \$384,936.

NOTE 3 - RECEIVABLES

Receivables at December 31, 2004, consisted entirely of occupancy taxes collected on behalf of the Authority by another governmental unit. Management expects the receivables to be fully collected.

**GREATER ALEXANDRIA ECONOMIC
DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2004**

NOTE 4 – CAPITAL ASSETS

A summary of the Authority's capital assets is provided as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Furniture, Fixtures, and Equipment	\$ ----	\$ 450	\$ ----	\$ 450
Less Accumulated Depreciation	----	45	----	45
Total Net of Depreciation	\$ ----	\$ 405	\$ ----	\$ 405

NOTE 5 – BOARD OF COMMISSIONERS

Each of the Board of Commissioners served without compensation for the year ended December 31, 2004.

NOTE 6 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance.

**GREATER ALEXANDRIA ECONOMIC
DEVELOPMENT AUTHORITY**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET & ACTUAL**

Year Ended December 31, 2004

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
City of Alexandria - Grant	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Occupancy Tax Income	360,000	321,853	317,825	(4,028)
Occupancy Tax Collection Fee	-	(6,437)	(6,357)	(80)
Interest Income	-	2,300	2,439	139
Total revenues	<u>460,000</u>	<u>417,716</u>	<u>413,907</u>	<u>(3,969)</u>
Expenditures:				
Administrative Assistant	7,500	-	-	-
Advertising & Marketing	2,000	-	-	-
Benefits	1,875	-	-	-
Capital Expenditures	15,114	15,114	-	15,114
Depreciation expense	-	-	45	(45)
Dues and Subscriptions	500	-	-	-
Executive Director - Benefits	6,250	-	-	-
Executive Director - Salaries	25,000	-	-	-
Executive Director Search	-	5,400	6,046	(646)
Insurance - D & O	800	-	-	-
Insurance - General Liability	800	-	-	-
Legal and Professional	17,400	18,100	21,898	(3,798)
Office Space Lease	6,013	-	-	-
Office Supplies	2,000	450	376	74
Telephone	500	-	317	(317)
Training and Conferences	8,000	17,000	17,061	(61)
Travel	6,000	2,800	2,783	17
Total expenditures	<u>99,752</u>	<u>58,864</u>	<u>48,526</u>	<u>10,338</u>
Net Change in Fund Balances	360,248	358,852	365,381	6,369
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ 360,248</u>	<u>\$ 358,852</u>	<u>\$ 365,381</u>	<u>\$ 6,369</u>

See accompanying notes and accountants' report

ROZIER, HARRINGTON & McKAY

CERTIFIED PUBLIC ACCOUNTANTS

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June 22, 2005

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Greater Alexandria Economic
Development Authority
Alexandria, Louisiana 71301

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Greater Alexandria Economic Development Authority (Authority) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Authority's compliance with certain laws and regulations during the year ended December 31, 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. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$7,500, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures meeting the scope of the public bid law as described above.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

June 22, 2005

3. Obtain from management a listing of all employees paid during the period under examination.

No employees during the period under examination.

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to minutes of a meeting, which indicated that the budget had been adopted by the commissioners of the Authority; however, it resulted in the finding described below. We traced the adoption of the amended budget to minutes of a meeting, which indicated that the budget had been adopted by the commissioners of the Authority.

Finding 2004-1

The budget was not adopted before the year began. The 2004 budget was adopted on September 21, 2004.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by 5% or more.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee;

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

June 22, 2005

We 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.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated that each check was signed by the proper official. No further approval was required.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Authority is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected the cash receipt journal for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

There were no employees during the period under examination.

We were 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, 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.

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY

June 22, 2005

This report is intended solely for the use of management of the Authority and the Legislative Auditor, State of Louisiana, 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. 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
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2004**

SECTION I Review Report	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.
SECTION II Attestation Report	
<u>Finding 2004-1</u> The budget was not adopted before the year began. The 2004 budget was adopted on September 21, 2004.	<u>Response 2004-1</u> In the future, we will adopt the budget prior to the new year beginning.
SECTION III Management Letter	
N/A - No findings of this nature were reported	<u>Response</u> – Not applicable.

**GREATER ALEXANDRIA ECONOMIC
DEVELOPMENT AUTHORITY**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 2004**

SECTION I Review Report	
N/A – 2004 was the first year of the Authority's operation.	<u>Response</u> – Not applicable.
SECTION II Attestation Report	
N/A – 2004 was the first year of the Authority's operation.	<u>Response</u> – Not applicable.
SECTION III Management Letter	
N/A – 2004 was the first year of the Authority's operation.	<u>Response</u> – Not applicable.

Louisiana Attestation Questionnaire
For the Year Ended December 31, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6/30/05 (Date Transmitted)

Rozier, Harrington, & McKay
Post Office Box 12178
Alexandria, LA 71315

In connection with your review of our financial statements as of December 31, 2004 and for the year 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 regulations 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 the date presented above.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

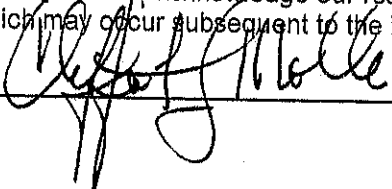
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

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 foregoing 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 acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Executive Director

JUNE 13, 2005 Date