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COMPONENT UNIT FINANCIAL STATEMENTS

ST. TAMMANY PARISH ECONOMIC AND
INDUSTRIAL DEVELOPMENT DISTRICT

DECEMBER 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been furnished 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 08-23-00

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Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Commissioners
St. Tammany Parish Economic and Industrial Development District
St. Tammany Parish, Louisiana

We have compiled the accompanying financial statements and supplemental information of St. Tammany Parish Economic and Industrial Development District as of and for the year ended December 31, 1999, as listed in the table of contents, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with standards established by the American Institute of Certified Public Accountants, we have also issued a report dated May 22, 2000 on applying agreed-upon procedures for compliance with laws and regulations.

Smith, Huval & Associates, L.L.C.

May 22, 2000

St. Tammany Parish Economic and Industrial Development District

BALANCE SHEET

December 31, 1999

	<u>Governmental Fund Type</u>
	<u>General</u>
ASSETS	
Cash in bank	\$ <u>45,715</u>
TOTAL ASSETS	<u><u>45,715</u></u>
LIABILITIES AND EQUITIES	
Fund Balance	<u>45,715</u>
TOTAL LIABILITIES AND EQUITIES	\$ <u><u>45,715</u></u>

See accountants' compilation report

St. Tammany Parish Economic and Industrial Development District

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 1999

	<u>General</u>
Revenues	
State grant	\$ 79,615
Payments from other governments	25,750
Other Income	<u>100</u>
Total revenues	<u>105,465</u>
Expenditures	
St. Tammany Economic Development Foundation	<u>59,750</u>
Total expenditures	<u>59,750</u>
Excess revenues over expenditures	45,715
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ 45,715</u></u>

See accountants' compilation report

ST. TAMMANY PARISH ECONOMIC AND INDUSTRIAL DISTRICT
ST. TAMMANY PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Tammany Parish Economic and Industrial District was established for the object and purpose of promoting and encouraging development of economic and industrial opportunities, stimulating the economy of the parish and utilizing and developing the natural and human resources of the parish by providing job opportunities.

1. Reporting Entity

The District was created by the State of Louisiana Revised Statutes 33:130.401 to 33:130.409. It was reestablished as a separate political body under the provisions of Article VI, Section 44 of the Constitution of Louisiana. The District is governed by a board of commissioners which are appointed as follows:

- a. Two members appointed by the St. Tammany Parish Police Jury who serve one year terms.
- b. Two members appointed by the Municipal Association in St. Tammany Parish who serve one year terms.
- c. Two members appointed by the United Chambers of Commerce in St. Tammany Parish who serve one year terms.
- d. Five members appointed by the St. Tammany Economic Development Foundation who serve staggered terms of one, two, and three years.
- e. One member appointed by the St. Tammany Parish manager who serves as an ex-officio nonvoting member.
- f. One member is the executive director of the St. Tammany Economic Development Foundation who serves as an ex-officio nonvoting member.

As the governing authority of the parish, for financial reporting purposes, the St. Tammany Parish Police Jury is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (police jury) (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

ST. TAMMANY PARISH ECONOMIC AND INDUSTRIAL DISTRICT

ST. TAMMANY PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The District is a component unit of the Parish because the Police Jury appoints members of the District and as such is financially accountable for the District. However, the Parish governing authority has elected to not report the District in its annual financial statements which is a departure from generally accepted accounting principles. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

2. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid the financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds of the District include the following:

General Fund - the general operating fund of the District and accounts for all financial resources except those required to be accounted for in other funds.

ST. TAMMANY PARISH ECONOMIC AND INDUSTRIAL DISTRICT

ST. TAMMANY PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in fund balance. The modified accrual basis of accounting is used by all governmental funds.

Each state fiscal year the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to local governments throughout the state to be used for tourism and economic development including support for historic preservation and arts and humanities. These payments have been passed through the St. Tammany Parish Tourist and Convention Commission. The amounts appropriated for the state fiscal year ending December 31, 1999 have been recorded in these financial statements. Payments are made quarterly.

4. Budgets and Budgetary Accounting

The District did not adopt an operating budget for the year ended December 31, 1999. Prior to 1999, the District had been dormant and budgets were not prepared.

5. Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

ST. TAMMANY PARISH TOURIST AND CONVENTION District
ST. TAMMANY PARISH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

NOTE B - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at December 31, 1999:

Demand deposits	\$45,715
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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, 1999, the District has \$45,715 in deposits (collected bank balances) which is entirely covered by federal deposit insurance.

B. RELATED PARTY TRANSACTIONS

The District utilizes the offices and services of the St. Tammany Economic Development Foundation. The Foundation is a non-profit organization established for the purpose of promoting and encouraging economic development within St. Tammany Parish. Many of the District's board members are also active members of the foundation, and the \$59,750 in expenditures were all disbursements made to the Foundation.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of St. Tammany Parish Economical Development District

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of St. Tammany Parish Economical Development District and the Legislative auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Parish Economical Development District's compliance with certain laws and regulations during the year ended December 31, 1999 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 material and supplies exceeding \$ 15,000, 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 made during the year for materials and supplies exceeding \$15,000 and no expenditures were made for public works exceeding \$100,000.

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. We noted no transaction during the year with any of these parties.

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

This procedure is not applicable to this engagement. The District currently has no employees

4. Determine whether any of those employees included in the listing 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.

This procedure is not applicable to this engagement.

Budgeting

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

The entity had been dormant for ten years and with this year being their first year back in operation a budget was not adopted.

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

This procedure is not applicable to this engagement due to the absence of a budget.

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.

This procedure is not applicable to this engagement due to the absence of a budget.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
(A) trace payments to supporting documentation as to proper amount and payee;

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;

Payments were coded to the correct fund and account.

(C) determine whether payments received approval from proper authorities.

Inspection of documentation indicated proper approval was received concerning cash disbursements.

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).

Meeting dates were posted in advance in accordance with the open meetings law

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 copies of all bank deposit slips 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, advance, or gifts.

There were no payments noted that may constitute bonuses, advances, or gifts.

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 on management's assertions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of St. Tammany Parish Economic and Industrial District 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Smith, Havel & Associates, L.L.C.

May 22, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

May 22, 2000 (Date Transmitted)

Smith, Huval and Associates, L.L.C.

19218 North 5th Street

Covington, LA 70434

(Auditors)

In connection with your compilation of our financial statements as of [date] 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 regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 22, 2000.

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 [] N/A [X]

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 [X] 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 [X] 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 [X]

The entity had been dormant for ten years and with this year being their first year back in operation a budget was not adopted.

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 [X] 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 [] N/A [X]

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 N/A

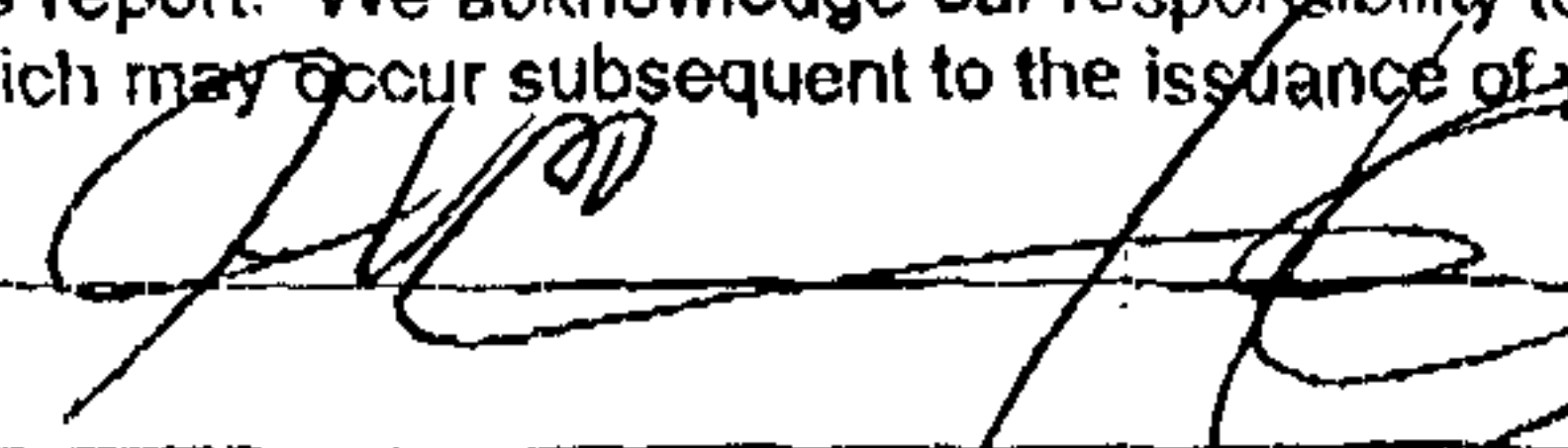
Advances and Bonuses

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 N/A

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.


BY Director 05/22/00 Date
Secretary _____
Treasurer _____ Date
President _____ Date